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Nordic students abroad

Student mobility patterns, student support systems and labour market outcomes

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Abstract

Saarikallio-Torp M, Wiers-Jenssen J, eds. **Nordic students abroad. Student mobility patterns, student support systems and labour market outcomes.** Helsinki: The Social Insurance Institution, Finland, Studies in social security and health 110, 2010. 151 p. ISBN 978-951-669-834-5 (print), 978-951-669-835-2 (pdf).

The purpose of this study is to examine outgoing student mobility from the Nordic countries, with an emphasis on the professional value of studying abroad. The study gives new comparative and valuable information about student mobility and its outcomes. Among the key questions are the following: 1) Who are the Nordic mobile students? 2) Do the mobile students return to their home countries after graduation? 3) Do they find relevant employment? 4) Are they able to make use of their international skills? and 5) What role does the public student support system play in student mobility? The data used in the study is based on the *Nordic Graduate Survey* (NGS) conducted in Finland, Iceland, Norway and on the Faroe Islands in 2007. The data includes information about 6500 respondents, around 2600 of whom graduated abroad. In addition, the report includes information obtained from two separate data sets from Denmark. Although there are several similarities between mobile students from different Nordic countries, also disparities can be found. Mobile students are more likely than non-mobile students to have highly educated parents. In addition, they and/or their parents have prior experience of living abroad. The proportion that return to their home country after study abroad varies between the Nordic countries. Norway and Iceland have experienced the highest return rates. Public student support is the most important source for financing foreign study, even if the relative importance of grants and loans varies between the countries. Integration to the labour market seems to be somewhat more difficult for mobile students compared to non-mobile students. On the positive side, those who have studied abroad are more likely to hold international jobs – even if stationed in their home country.

Key words: study abroad, academic degree, graduates, employment, labour market outcomes, employment abroad, student mobility

Tiivistelmä

Saarikallio-Torp M, Wiers-Jenssen J, toim. **Pohjoismaiset opiskelijat ulkomailla. Opiskelijaliikkuvuus, opintotukijärjestelmät ja työmarkkinoille sijoittuminen.** 2010. Helsinki: Kela, Sosiaali- ja terveysturvan tutkimuksia 110, 2010. 151 s. ISBN 978-951-669-834-5 (nid.), 978-951-669-835-2 (pdf).

Tämän tutkimuksen tarkoitus on tarkastella ulkomailla korkeakoulututkintonsa suorittaneita pohjoismaalaisia ja heidän työmarkkinoille sijoittumistaan vertaamalla heitä kotimaassa korkeakoulututkinnon suorittaneisiin. Tutkimus tarjoaa arvokasta uutta tietoa opiskelijaliikkuvuudesta ja sen vaikutuksista. Keskeisimmät tutkimuskysymykset ovat: 1) Keitä ulkomailla opiskelevat pohjoismaalaiset ovat? 2) Palaavatko he takaisin kotimaahansa valmistumisensa jälkeen? 3) Löytävätkö he koulutusta vastaavaa työtä? 4) Pystyvätkö he hyödyntämään kansainvälistä osaamistaan työmarkkinoilla? 5) Minkälainen rooli opintotukijärjestelmällä on opiskelijaliikkuvuudessa? Tutkimuksessa käytetty kyselyaineisto perustuu *Nordic Graduate Surveyyn* (NGS), joka toteutettiin vuonna 2007 Suomessa, Islannissa, Norjassa ja Färsaarilla. Aineisto sisältää tietoa yhteensä 6 500 vastaajalta, joista 2 600 on suorittanut korkeakoulututkinnon ulkomailla. Tämän lisäksi tutkimuksessa on hyödynnetty kahta tanskalaista aineistoa. Vaikka ulkomailla korkeakoulututkinnon suorittaneiden välillä on yhtäläisyyksiä eri Pohjoismaissa, on maiden välillä myös eroja. Useammalla ulkomailla tutkinnon suorittaneella on korkeasti koulutetut vanhemmat kuin kotimaassa opiskelleella. Lisäksi heidän vanhempansa tai he itse olivat useammin asuneet ulkomailla jo ennen opiskelujen aloittamista kuin kotimaassa opiskelleet tai näiden vanhemmat. Niiden ulkomailla tutkinnon suorittaneiden osuus, jotka ovat palanneet valmistumisensa jälkeen takaisin kotimaahan, vaihtelee suuresti eri Pohjoismaissa. Osuudet ovat suurimmat Norjassa ja Islannissa. Julkinen opintotukijärjestelmä on tärkein ulkomaisten opintojen rahoitusmuoto, vaikkakin opintorahan ja -lainan suhteellinen osuus vaihtelee maittain. Ulkomailla tutkinnon suorittaneiden työmarkkinoille sijoittuminen näyttää olevan jonkin verran vaikeampaa kuin kotimaassa opiskelleiden. Ulkomailla tutkinnon suorittaneet työskentelevät useammin kansainvälisissä työtehtävissä kuin kotimaassa opiskelleet – myös kotimaassa asuessaan.

Avainsanat: opiskelu ulkomailla, korkeakoulututkinnot, tutkinnon suorittaneet, työllistyminen, työhönsijoittuminen, työskentely ulkomailla, opiskelijaliikkuvuus

Sammandrag

Saarikallio-Torp M, Wiers-Jenssen J, red. **Nordiska studerande i utlandet. Studentrörlighet, studiestödssystem och arbetsmarknadseffekter.** 2010. Helsingfors: FPA, Social trygghet och hälsa: Undersökningar 110, 2010. 151 s. ISBN 978-951-669-834-5 (hft.), 978-951-669-835-2 (pdf).

Syftet med den här studien är att jämföra nordiska högskolestuderande i utlandet med dem som har avlagt sin högskoleexamen i hemlandet. Således erbjuder den värdefull ny information om studentrörlighet och dess effekter. De centralaste forskningsfrågorna är: 1) Vilka är de nordiska studerandena i utlandet? 2) Återvänder de som har studerat i utlandet till hemlandet efter studierna? 3) Hittar de ett arbete som motsvarar utbildningen? 4) Kan de utnyttja sina internationella färdigheter på arbetsmarknaden? och 5) Hurudan roll har studiestödssystemet vad gäller studentrörligheten? Forskningsmaterialet grundar sig på *Nordic Graduate Survey* (NGS), som har genomförts i Finland, Island, Norge och på Färöarna år 2007. Materialet omfattar svar från sammanlagt cirka 6500 personer, av vilka cirka 2600 har avlagt sin högskoleexamen i utlandet. Ytterligare har man använt sig av materialet i två olika danska undersökningar. Även om det finns likheter mellan nordiska studerande som har studerat i utlandet, finns det också skillnader. De som har studerat utomlands har oftare högt utbildade föräldrar än de som har studerat i hemlandet. Dessutom har deras föräldrar eller de själva oftare bott i utlandet före utlandsstudierna. Andelen av dem som har återvänt till hemlandet efter studierna varierar mycket mellan de nordiska länderna och är högst i Norge och Island. Det offentliga studiestödssystemet spelar en viktig roll när man studerar utomlands. Studiestödet är den viktigaste finansieringskällan för de flesta studerande, även om den relativa betydelsen av stöd respektive lån varierar mellan länderna. Integreringen på arbetsmarknaden verkar i viss mån vara svårare för dem som har studerat utomlands jämfört med dem som har avlagt sin högskoleexamen i hemlandet. De som har studerat utomlands arbetar oftare med internationella uppgifter än de som har studerat i hemlandet – också när de bor i hemlandet.

Nyckelord: studier utomlands, högskoleexamina, examinerade, sysselsättning, placering i arbetslivet, utlandsarbete, studentrörlighet

PREFACE

More than 50 000 students from the Nordic countries are studying abroad and they are granted more than 600 million euros each year to cover their expenses while studying abroad. Why do Nordic students study abroad? Who are they? Where do they study? What are they studying? Do they come back? And how do employers evaluate their education and skills? What kind of similarities and differences are there between the Nordic countries? These were among the issues that were discussed in a meeting between representatives from the Nordic institutions for student support and the administration of the Nordic Council of Ministers in 2003. The questions were discussed further at a Nordic conference in Kalmar in 2004.

Knowledge in these fields has been scarce. A Swedish initiative was made to set up a working group in order to bring more knowledge to the field. The public student support institutions in all the Nordic countries and autonomous regions were invited by Centrala studiestödsnämnden (CSN, Swedish National Student Assistance Board) to take part in this group. Throughout the process the countries have participated in different ways.

The process has consisted of three main stages. The first stage focused mainly on the extent and content of the support granted to studies abroad. The participating countries then were Finland, the Faroe Islands, Denmark, Iceland, Norway and Sweden. The issues were discussed from the perspectives of history and policy. This stage resulted in a joint report in 2006: *Studiestöd för att studera utomlands – en nordisk model?* (*Student support for studies abroad – A Nordic model?*). The second stage mainly focused on the individual experiences within each Nordic country. Four countries – Finland, Iceland, Norway and the Faroe Islands – carried out national surveys (Nordic Graduate Survey, NGS) based on a joint questionnaire addressing graduates and published each of their own country reports. Denmark made reports based on register data as well as surveys among students and employers. These national reports were presented and discussed at a Nordic conference in the Faroe Islands in 2008.

The last stage – the Nordic report, 'Nordic students abroad' – widened the scope and discussed the issues in a Nordic and international context. The report has been edited by two researchers: Miia Saarikallio-Torp, Research Department of the

Social Insurance Institution (Kela), Finland and Jannecke Wiers-Jenssen, Norwegian Institute for Studies in Innovation, Research and Education (NIFU STEP), Norway. The comparative chapters are written mainly by the editors, based on tables and written information from the different countries. Each participating country/institution has contributed a chapter analysing data from their own country. An extended editorial group contributed their comments as well. But at the same time, it is only the authors of each chapter who are responsible for the content.

The project is financed by many different sources. The Nordic Graduate Surveys were financed by the public student support organisations in three of the participating countries (Finland: Kela; Norway: Lånekassen; Iceland: LIN). In the Faroe Islands, the survey was financed by Statoil Faroes. In Denmark, the Danish Educational Support Agency and the Danish Agency for International Education (formerly known as CIRIUS) have financed their respective data collections and analyses. The Norwegian research institute NIFU STEP supported the development of a common questionnaire, and Kela and Lånekassen have financed most of the costs regarding comparative analyses, editing and the publishing of this Nordic report.

Internationalisation – new forms of communication and interaction between countries– increases the need for cross-cultural knowledge and competence. Student support and study abroad are important aspects in helping build that competence. The effects are both individual and collective. The policy-decisions in this field must be based on better knowledge. It has been the aim of this report that it will contribute to this knowledge.

Oslo, June 2010
On behalf of the extended editorial group,

Erling Moe
The State Educational Loan Fund, Norway

The editors would like to thank the many colleagues in Kela, especially Mikko Niemelä, Ulla Hämäläinen and Ilpo Lahtinen, and the three anonymous reviewers for their helpful comments to earlier drafts of the report. Many thanks also to the publication team at Kela's Research Department.

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1 INTRODUCTION

Jannecke Wiers-Jenssen, NIFU STEP
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1.1 Background and purpose of the study

This report addresses outgoing student mobility from the Nordic countries, with an emphasis on the professional value of studying abroad. By mobile students, we mean students who undertake an entire academic degree, or part of a degree, abroad. There is a particular focus on degree mobility, meaning students who undertake a full academic degree abroad. In Western countries, degree mobility has been investigated less than exchange mobility. The latter form of mobility generally implies shorter sojourns (up to a year) and is often part of an organized programme. However, the interest and need for knowledge about mobile degree students is increasing, partly as a consequence of the EU-initiated Bologna process. The Bologna process aims at harmonizing the degree structure in the EU and adjacent areas, and facilitating the kind of student mobility which allows students to undertake a first degree in one country and a master's degree in another is seen as highly important. The Nordic region has a long tradition of student mobility, degree mobility in particular. Therefore, the experiences of this region may be valuable to countries with less of a record of exporting students.

The number of outgoing mobile students differs substantially between the Nordic countries, but they all have a higher proportion of students abroad than the EU-average (Eurydice 2007). This is partly due to insufficient domestic enrolment capacity, but it is also due to political priorities. The Nordic countries are rather small, with, geographically and linguistically, a rather peripheral position in Europe. Hence, the need for citizens with international experience and linguistic and cultural skills is quite obvious. Student mobility is a form of knowledge import that can play an important role in a strategy for strengthening economic competitiveness. For small countries and autonomous regions like Iceland and the Faroe Islands, it is not realistic to provide a sufficiently wide spectrum of higher education programmes domestically. Due to necessity, these countries encourage students to go abroad, even though this implies a risk of 'brain drain'. Therefore, the countries in question are interesting to compare in many ways. They all have a peripheral position within Europe, but Iceland and the Faroe Islands have even more of a peripheral position than the others. Finland and Denmark have many similarities regarding the student support system and the volume of mobile students. The economic situation of the Nordic countries, however, is quite different. For example, Norway has had a very strong economy during recent decades, while the depression in the 1990s hit Finland particularly hard and has affected the structure of the Finnish labour market. However, as there are a substantial proportion

1 Section 1.2. The Nordic model in education.

of students studying outside their home country in other Western countries as well, the results of this report might also be applicable and useful elsewhere.

Despite substantial student mobility from the Nordic countries, the actual outcomes of this mobility have received limited attention. Hence, there is a need for more factual knowledge and research regarding this issue. This report presents new information about student mobility from four Nordic countries: Finland, Iceland, Norway and Denmark, and one autonomous region, the Faroe Islands. The main data source is a survey, *The Nordic Graduate Survey 2007* (NGS 2007), which was conducted in Finland, Norway, Iceland and the Faroe Islands. The survey was targeted at graduates who had completed tertiary (higher) education 1–5 years earlier. Denmark carried out a survey of its own, and, when combined with register data, the Danish survey makes a good supplement to this Nordic report.

The focus of this report is on individual outcomes of student mobility. Our aim is to extract and compare data on the graduates' self perceived experiences and their labour market adaptation. These data may serve as a point of departure for reflecting on employer's perspectives, public policy and the aggregated outcomes of student mobility. It is beyond the scope of this report to discuss all of these issues in depth. An outline of the Nordic model in education is presented in order to contextualise the student support system in the different Nordic countries, as the structure of the support systems are important for understanding the substantial student mobility from the Nordic countries. A central aim of this project is to generate new knowledge about the consequences of a type of migration scarcely investigated and to give an overall picture of those Nordic students who have undertaken their higher education (tertiary education) abroad. Furthermore, the report sheds light on how the Nordic public student support schemes may influence mobility patterns. We apply a comparative perspective which accentuates the differences in mobility patterns and labour market outcomes between the Nordic countries.

The overarching questions asked include the following:

– Who are the mobile students?
– Do mobile students return to their home country after graduation?
– Do they find (relevant) employment?
– Do they make use of their international skills?
– What role does public student support play in student mobility?

Sweden and the CSN chose not to participate in the Nordic Graduate Survey, and have not contributed to the report[2]. Given Sweden's central position and substantial

2 The Swedish student support agency, CSN, decided not to participate in the last phase of the Nordic project. The argument for this was that mobile students were not a target group in the strategic plans of CSN. However, CSN played an important role in the first phase. They initiated the cooperation and edited the report on student support in the Nordic countries (Wreber and Björk 2006). The other Nordic autonomous regions – Greenland, the Åland Islands and Öland Island – did not participate in the Nordic project at any stage, but they were invited to join in the initial phase of the project.

mobility, it would have been very interesting to include its students in the survey. Some information about Sweden is included in the general statistics in section 1.3.

In the next section, we outline the development of public student support systems in the Nordic countries. This is related to the development of welfare states and the educational systems in general, and this section is a good introduction for understanding how the Nordic region differs from other countries. Following that, we present statistics about student mobility from the Nordic countries. Then, we briefly summarize relevant previous research and derive some hypotheses from this. Chapter two contains comparative data from the four countries participating in the Nordic Graduate Survey 2007: Finland, Norway, Iceland and the Faroe Islands[3]. Background characteristics, as well as labour market outcomes, are addressed. The chapters on individual countries, chapters 3-6, present analyses based on the data sets of each of these four countries (in descending order, according to population size). The Finnish chapter (Chapter 3) focuses on the transition from higher education to the labour market for mobile and non-mobile students. The Norwegian contribution (Chapter 4) addresses differences between (full) degree students and exchange students. Iceland's chapter (Chapter 5) gives a general overview of the main findings from the Icelandic NGS 2007 and provides information about Iceland's student support system. The Faroese chapter (Chapter 6) has a particular focus on return rates and the challenges attached to this. Chapters 7 and 8 represent the Danish contributions to the report. The chapters about Denmark are presented after the other countries due to the fact that they are based on data sources other than the NGS 2007. Chapter 7 addresses Danish (full) degree students by analysing data from registers, while Chapter 8 addresses Danish exchange mobility and presents data from surveys among students as well as employers. Chapter 9 sums up and discusses some of the main findings of this report.

1.2 The Nordic model in education

1.2.1 The welfare state and education

Education has been regarded as one of the cornerstones of the modern welfare states. Despite this, the different welfare state regimes are expected to display different education policy patterns. According to Arnesen and Lundahl (2006, 285–287) the welfare state regimes frame and influence the general direction of education politics in different ways.

Within current welfare state research, three or four types of welfare states are usually distinguished based on the typology originally developed by Gøsta Esping-Andersen

3 The Faroe Islands are an autonomous region of Denmark, but they have their own language and have been granted control over many matters (see more closely Chapter 6). Thus, in this report, the Faroe Islands will be referred to as a country. The Islands are situated 1400 km from Denmark, in the Atlantic Ocean, and have a language distinctively different from Danish. The population of the Faroe Islands was 48,940 in 2009 (Statistics Faroe Islands 2009).

(1990; 1999.)[4] Esping-Andersen's regime takes in three main dimensions: social rights or decommodification, social stratification, and the public private mix or arrangements between state, market and family. He identifies three distinct welfare state regimes. In liberal welfare states means-tested assistance, modest universal transfers, or modest social-insurance plans predominate. Benefits are small and directed at the poorest, entitlement rules are strict and often associated with stigma. State encourages the market for example by subsidizing private welfare schemes, and the citizens are encouraged to seek there welfare in the market. (Esping-Andersen 1990, 21–27; cf. Myles and Quadagno 2002.)

The second type is referred to as conservative-corporatist welfare state. Here, the welfare of the individual is closely linked to the economy and the labour markets. Social income transfers are based on performance in working life. Prevailing status and class differences are maintained as much as possible. Corporatist regimes are also strongly committed to the preservation of traditional family life. (Esping-Andersen 1990, 27; cf. Myles and Quadagno 2002.) In some typologies the conservative model is divided into two: the (central-European) conservative-corporatist tradition and the southern model of the welfare state. The southern cluster is characterised by a highly fragmented income maintenance system, a low degree of state penetration of the welfare sphere and strong reliance on family, church and charity. (Rhodes 1997.)

The fourth type is the Nordic or social democratic regime. Social rights are universalistic, emphasizing equality of citizenship. Services and income transfers are produced by public authorities, and their level is generally high. In this model benefits and services are least dependent on a person's performance in the market compared to the other types of welfare models. Social services are aimed at all citizens, making it different from means-tested systems, where social services are targeted at recipients with incomes below certain thresholds. "This model crowds out the market, and consequently constructs an essentially universal solidarity in favour of the welfare state. All benefit: all are dependent; and all will presumably feel obliged to pay." (Esping-Andersen 1990, 27–28; cf. Myles and Quadagno 2002; Antikainen 2006, 236; Opheim 2008, 17.)

Esping-Andersen aimed to provide a new conceptualisation of the welfare state encompassing a wide range of institutions and programmes and to develop an understanding of welfare production as a whole. A number of authors have attempted to apply Esping-Andersen's typology to specific programmes, or groups of programmes (Abrahamson 1999), but their findings have been mixed. Esping-Andersen and many subsequent writers (see e.g. Arts and Gelissen 2002; Bambra 2006; Scruggs and Allan 2006) largely define welfare regimes on the basis of indices of de-commodification (the extent to which an individual's welfare is reliant upon the market). The issues of stratification have been relatively neglected and education as a major element of

4 Esping-Andersen's typology has been subject to considerable debates, comments and criticism (see e.g. Bolderson and Mabbet 1995; Abrahamson 1999; Arts and Gelissen 2002; Bambra 2006; Scruggs and Allan 2006; Ferrera 2008; Castles and Obinger 2008). However, the key insight that the welfare states differ fundamentally in the allocation of welfare functions among states, markets and families has proven to be remarkably robust (Myles and Quadagno 2002).

stratification within welfare states is ignored. Esping-Andersen pointed out (1990, 57–58) that apart from its purely income-distributive role the welfare state shapes class and status in variety of ways. The education system is an obvious instance, in which individuals' mobility chances not only are affected, but from which entire class structures evolve. He however willed to confine his attention to the stratification impact of welfare state's traditional and dominant activity, income maintenance.

Some Nordic researchers in sociology of education (e.g. Antikainen 2006; Arnesen and Lundahl 2006; Frimannsson 2006; Telhaug et al. 2006; Opheim 2008) use the typology as a general framework and argue that the welfare state regimes frame and influence the general direction of education politics. According to them there does seem to be a Nordic model of education as well (cf. also NOU 1999, 12). The Nordic countries have invested more than other nations in the education sector. The level of education is high, the state school is highly regarded by the population, the principle of equality of opportunity functions as a 'talent hunter', and school standards are reasonably homogenous throughout the different nations. (Telhaug et al. 2006, 279.) However, the Nordic education model can only be referred to as an ideal type claims Ari Antikainen (2006, 240). In reality, the national education systems of the Nordic countries have differed in many aspects. Instead of one model, there are several models or just patterns.

In the last 50 years, the Nordic societies have proved to be very successful in economic terms, combining general welfare and economic success (Frimannsson 2006). According to Giddens (2007, 12), one factor in the economic success of Nordic countries is the pattern of social investment which the countries have followed. All countries have invested heavily in innovative forms of technology and education. Spending on education in general and higher education in particular, is considerably greater than in many other countries (cf. also Esping-Andersen 2005, 159).

1.2.2 Equality of opportunity

In all the Northern countries, the free instruction provided in the public elementary school has been for generations the basis of the educational system. The rise of mass education was originally in the nineteenth century connected to the quest for modernisation, prompted by industrialisation and nation-building. Whereas the school and education in general had a clear political function throughout the Nordic Countries in the 100 years prior to the inter-war period of the 1920s and 1930s, it was during the immediate post-WWII period that it began to function primarily as an element of the welfare society. In the post-World War II situation, the common school was extended to adolescents in the name of social emancipation and the need for professional manpower. (Ahonen 2002, 173.) From an economic viewpoint, the school was regarded as a secure investment, but from a social viewpoint it was even more clearly recognised that the school's task was to reduce class differences, to the benefit of social integration within each of the Nordic nations. After the Second World War, there were

high hopes that a uniform, free of charge education for children from all social strata would contribute to equality and justice and promote social cohesion. (Arnesen and Lundahl 2006, 285; Telhaug et al. 2006, 277; cf. Nelson 1953, 278.)

During the 1960s, the existence of social inheritance was increasingly seen as a problem for educational policy in a welfare society. Social inheritance showed in the fact that recruitment to higher education and to academic secondary education was marked by social inequality. As pointed out by Hansen (1996), there were two separate reasons for seeing this as a problem. Education was intended to provide a chance for non-privileged groups in society to acquire resources to improve their welfare; therefore, access to education should not be restricted by social inheritance or other barriers. However, it was also a problem for the optimal use of human resources in society. Economic growth, which was to be the basis of the welfare society, demanded that the 'reserves of intelligence,' the many children and young people with good cognitive skills, should not be confined to unskilled jobs but rather be educated to compete for higher and more valuable jobs. (Rasmussen 2002, 630–631.) A Swedish state committee (SOU 1948, 50) had already at the end of 1940s brought up the question of a 'reserve of intelligentsia' (begåvningsreserven), but it was not until the 1960s that the concept became more widely discussed and a matter of common knowledge[5] .

Education is supposed to serve several masters simultaneously. Not only should it provide the individual citizen with a certain degree of safety and social connections, it must also contribute to economic growth by producing human capital. Social welfare and economic motives generally exist side by side in educational policy, but their relative importance varies over time and between countries. (Arnesen and Lundahl 2006, 286.) There was considerable consensus about the aims of welfare policy and educational policy. The radical extension of the compulsory school system in the Nordic countries was based on two primary objectives. The first was the economic or instrumental objective, based on the assumption that there was a clear association between the level of education and economic growth. The social objective was based on a recruitment argument. (Rasmussen 2002, 631; Telhaug et al. 2006, 252–253.) Especially in the first decades after the Second World War, an emphasis was placed on the social function of education, with citizenship, social integration and national unity as key components. From the 1960s, education was increasingly regarded as a crucial factor for economic growth and the renewal of working life, even if the social motives remained strong. (Arnesen and Lundahl 2006, 290.)

The idea of comprehensive education has been firmly rooted in all the five Nordic countries throughout the post-war era. Equality of educational opportunity has been promoted by the Nordic welfare states – with a decisive step at the time being the launch of the comprehensive school system. Providing children with equal educational opportunities regardless of gender, social class and geographical background has been

5 Cf. in Finland, Olavi Niitamo and Kaarlo Multimäki, Taloudellinen kasvu ja lahjakkuusreservit, 1964; Arvo Jäppinen, Lahjakkuusreserveistä, 1968.

seen a fundamental part of Nordic educational policies during the major part of the twentieth century. In the 1960s, comprehensive school reform was carried out under the auspices of the welfare state ideology. 'A vast educational reserve' was a common argument used when defending the comprehensive reform. A vast unused potential was assumed to exist in the regional periphery as well as in the lower social strata. (Ahonen 2002, 175; Arnesen and Lundahl 2006; Kivinen et al. 2007, 231.)

In the 1960s and 1970s, compulsory education in all Nordic countries was extended to nine years, and the comprehensive model was adopted as the starting point for developing the whole education system. This took place under the conditions of strong industrialization, the development of a service society and seemingly stable economic growth. The ideology of educational opportunities produced, besides comprehensive school systems, an expansion of higher education and a considerable increase in the number and availability of institutions of higher education. (Antikainen 2006, 230.) Some research results indicate that comprehensive school reforms made access to higher education more equal according to social background (Erola 2009, cf. also Esping-Andersen 2005).

The universities and most of the other institutions for advanced education in the five Nordic countries offer their services either at a nominal charge or without any charge at all. This is obviously of great value as a means of opening up higher education to all qualified students, regardless of their economic resources. (Nelson 1953, 278; Nilsson 1986.) The basic requirement that education, even at the tertiary level, should be free of charge, was more or less taken for granted and was not an issue of political debate (at least not until lately). This requirement was met by all the Nordic countries.

On the other hand, education free of charge is clearly not sufficient by itself, since students have to subsist during their long years of study and by no means are all homes able to mobilize the necessary funds. Offering student financial support is one of the main measures employed in order to reduce the economic barriers to higher education. (Nelson 1953, 278; Erikson and Jonsson 1996; Hiilamo and Moisio 2009.) Ensuring access to higher education independent of the student's financial situation or socio-economic background has been a central aim of the Nordic countries' educational policy (Opheim 2008, 278). The aim of state financial support for students is that access to higher education should not be restricted by economic resources. State financial support is part of welfare policy and a condition for educational policy.

1.2.3 Selective support for students from low socio-economic backgrounds

Before the 1960s, there were several different study financing systems in higher education. The basic feature of these systems was that they were selective, targeted to students of limited means. (Nilsson 1986, 19.) In Sweden, the state had already since 1919 granted study loans free of interest to gifted students of limited means. In 1939, the Swedish parliament (Riksdag) passed legislation providing for a scholarship programme. Since

then, the scholarship programme has been extended step by step (1950 and 1953) for academic students as well as for the pupils of schools for higher education. In 1946, a system of state guarantees for private loans contracted by students was further added. The state guarantees applied only to those who had graduated. In 1950, the system of state guarantees was extended to also cover students studying in universities. (Nelson 1953, 279–280; Nilsson and Svensson 1992, 15–16.)

In Norway, the State Educational Loan Fund (Lånekassen) was established in 1947 to serve students of limited means. The State Educational Loan Fund replaced a number of minor loan funds established in universities or partly under the direction of student associations. One of these was the State Loan Fund for University Studies Abroad, which was established in 1946. The State Educational Loan Fund (for Studying Youth) provided support for higher studies in Norway and abroad initially as loans. From 1956–57 onwards, the Institution also distributed state scholarships. (Nelson 1953, 280; Rotevatn 1997, 29; NOU 1999, 45–46; Opheim 2008, 20.)

The Danish Study Foundation, established in 1913, carried out similar operations of distributing loans to university students of limited means. A State Loan Fund (Ungdommens Uddannelsesfond) was established in Denmark in 1955 to serve deserving and gifted students of limited means (ubemidlede, dygtige och evnerige). It distributed scholarships and loans free of interest and without a guarantee. As a rule, the State Loan Fund gave financial support for studies in Denmark. (Nelson 1953, 280; Betænkning nr. 506, 1968, 54.) Until 1988, Faroese students received grants from the Danish Education Support Agency (Wreber and Björk 2006, 25). The Icelandic (and before that Danish) government had some programmes offering loans and scholarships to students studying in Iceland and abroad (Nelson 1953, 280).

In Finland, scholarship legislation was enacted in 1948 to better the lot of deserving students of limited means. Several programmes for granting low-cost loans to students were also developed under State auspices. A law concerning State guarantees for student loans was passed in 1956. (Nelson 1953, 280; Hämäläinen et al. 2007, 13.) At the beginning of the sixties (1960 and 1963), legislation was passed in parliament, which provided state loans for studying medicine and dentistry abroad (Autio 1995, 18).

1.2.4 Reforms leading to a comprehensive support system

The question of establishing a comprehensive system of economic support for students at higher levels was taken up for thorough examination and action during the 1960s. Sweden was the first country to widen the state economic support for students. It also put into practise a central characteristic of the Nordic educational policy: the view of the students as adults, economically independent of their parents. This principle of intergenerational independence is a common, and perhaps exclusive, characteristic of the 'Nordic model' of educational policy. The policy implies that the costs of higher education should be equal for all students, independent of their parent's economic

situation. The principle exerts a strong influence on the structure of student support. (Cf. Opheim 2008, 19.) Although there are only minor differences in the length of youth education, young adults tend to leave the parental home much earlier in the Nordic countries compared to young adults in the intermediate central European cluster and the Southern cluster (Vogel 2002, 284–285).

The Swedish student aid system that is basically intact today was adopted in 1965. The objective of the financial aid for studies was to widen the recruitment of young adults to higher education and to reduce economic barriers to higher education. The principle of intergenerational independence was explicitly expressed. Support is provided to university students irrespective of their parents' economic situation. The means test was based only on the student's own income and assets or on the spouse's income and assets. All students are entitled to a student subsidy and a government-backed loan. The support consisted of grants and loans. (SOU 1963, 74.) The latest reform of the scheme was carried out in 2001 (Centrala studiestödsnämnden 2007).

In Norway, means testing of the parents' financial situation for students in higher education was removed in 1972. Student support was provided in the form of both non-repayable grants and student loans. (Opheim 2008, 21.) The system of grants and loans was further developed and differentiated in the 1980s and 1990s (www.lanekassen.no). The latest general reform of the Norwegian student support system was implemented in 2002. Since august 2002, the support has been distributed as repayable loans, and portions of that student loan may be converted into non-repayable grants depending on academic progress / after successful completion of exams, and the student's own income and assets. (Opheim 2008, 278–279, 281.) A central feature of the Norwegian support system is that there are no interest rates on loans during studies. In 2004, a reform was implemented affecting mobile students. Support for covering tuition fees was changed from being grants only to being partly based on grants and partly based on loans (Wiers-Jenssen et al. 2008).

In Denmark, the first law of the state's study support was enacted in 1970 and it is based on the report of the state committee concerning economic support for students (Betænkning nr 506, 1968). The goal of the reform was to ensure equal access to higher education so that the pursuit of education is possible for capable students regardless of economic resources. Another aim was to reduce the necessity of working alongside studying. (Cf. also www.sustyrelsen.dk.) Half of the student support was in the form of grants and half in the form of loans. Since 1996, every student over 18 years of age enrolled in a higher education course is entitled to a number of monthly grants corresponding to the prescribed duration of the chosen path of study, plus 12 months. Students are offered supplementary state loans (grants 2/3, loans 1/3 of total support). In general, students can get grants and loans for no longer than six years. Students, though, can get a loan for one year to finish the course of study. The means test is based on the student's income alone. (www.susstyrelsen.dk.)

In Finland, the basis for the students' financial support scheme was created in 1969–1971. Support included a combination of grants and loans. From 1977 onwards, a housing allowance was added to the grant. The means test for aid was based on the student's own income and the spouse's incomes and based partly on the income and wealth of the student's parents as well. As in other Nordic countries, the policy goals of equal opportunity and mobilizing 'reserves of intelligence' for promoting economic growth was emphasized. The scheme was reformed in 1992–1994: the share of the study grant increased and the means testing of the student's own wealth and the spouse's economic situation for all students as well as the economic situation of the student's parents for students in higher education was removed. (Hämäläinen et al. 2007.)

The Icelandic Government Student Loan Fund (Lánasjóður íslenskra námsmanna, LÍN) was founded in its present form in 1961, and the first loans were granted in 1962. Students from the Háskóli Íslands (The University of Iceland) as well as students studying abroad can apply for loans. From the beginning, the income of the student has been taken into consideration when loans are calculated, but parents' incomes have never mattered. The support from LÍN is in the form of loans only. The regulations concerning student loans have been changed a few times since 1962, but the founding principles have remained the same over the years. The role of the Icelandic Government Student Loan Fund is to guarantee those covered by the act the opportunity to study, irrespective of their financial situation.

The Faroese Student Grant Fund, *Stuðulsstovnurin,* was established and began to provide financial support for students in 1988, when the Faroese Home Rule assumed both legislative authority over and administration of student grants. Up to this point, the Danish government had administered student funding through the Danish Education Support Agency (SU, Statens Uddannelsesstøtte). But in 1988, the local government appropriated both the legislative authority over and administration of student support. The political objective of the local government has for many years been to eliminate any social and/or economic barriers to the course of higher study people may embark on, or where they wish to study, in order to cope with the limited supply of higher education on the islands. (Løgmansskrivstovan 2007, 38.) The current legislation for educational support is from 2007. As in other Nordic countries, the support is a combination of grants and loans. The student support does not depend either on the parents' incomes or on the students' own incomes. The primary principle in the grant scheme is to support Faroese students (Danish citizens residing in the Faroe Islands) who study on the islands, while the SU supports Faroese students who study outside the Faroe Islands, whether in Denmark, the other Nordic countries or elsewhere. A few exceptions to this rule are that the Stuðulsstovnurin provides additional grants to Faroese students abroad, e.g. toward travel expenses and tuition.

In all six countries, the general student support can also be received when studying abroad. The basic regulations are the same as for those studying in their own country, but there can be some extra support for those studying abroad as well.

1.2.5 Current student financial support schemes

How to overcome the financial barriers to studying is one of the relevant issues when considering undertaking higher education in general and studying abroad in particular. In the following section, the current public student support schemes in the Nordic countries in general are described and then the financial support for foreign study in particular is examined.

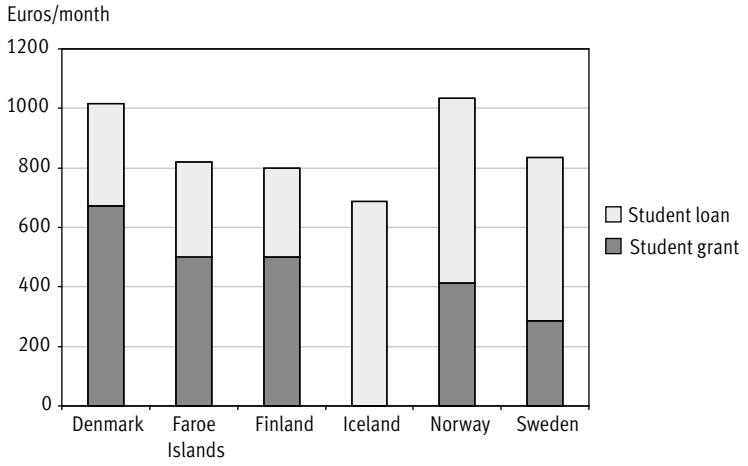
Even though the student support schemes in the Nordic countries differ in several respects, they have some fundamental features in common. First, student financial support in the Nordic countries is mainly a *public responsibility*. This can be seen as part of the Nordic welfare state model, accentuating equity and universal support. Education is generally free (no tuition fees), and providing public support for living expenses is seen as a way of ensuring equal opportunities to higher education. Even though the student support is dependent on, for example, the student's own income, all students are entitled to receive it. Hence, the public student support is universal in its nature. Second, student financial support (grants and loans) is *given directly to the students*. This model diverges from the indirect support system further south in Europe, where family allowances and tax reductions are more common ways of financing studies (Vossensteyn 2004).

The basic student financial support which all students are eligible for is somewhat difficult to compare between the different countries. There are several dimensions in which the systems can differ. One of these is how the student grant is treated in terms of taxation; whether it is taxable income or not. Another factor is how the interest on student loans is treated during and after the periods of study. Furthermore, all of the Nordic student financial support systems except the Finnish one include children, i.e. there is a certain supplement to the grant if the student has dependent children. Figure 1.1 (p. 24) shows the amount of support (in euros) students are eligible for in the different Nordic countries.

2007	Denmark	Faroe Islands	Finland	Iceland	Norway
Population (in thousands)	5447	48	5277	308	4681
Population density (inhabitants/km²)	126.2	34.6	17.3	3.0	15.3
GDP per capita in PPS	120.0	n.a.	115.8	119.1	178.4
GDP growth %	1.6	3.1	4.2	3.8	3.1
Unemployment %	3.8	1.8	6.9	n.a.	2.5

Source: Eurostat 2009 and Statistics Faroe Islands 2009.

Figure 1.1. *Student support for higher education (in home country, student living independently) in the Nordic countries in 2008, euros per month (calculated on the average exchange rate from 2008).*



Source: The Nordic comparison of student support, 2008.

Most of the Nordic countries have a student support system which is a mixture of grants and loans. Only in Iceland is the support loan based only. In Denmark, the share of study grants out of the total support offered is the highest; two-thirds of the total support consists of study grants. The level of study grants is the lowest in Sweden, where only a third of total support is grant based. As a whole, the Danish and Norwegian student support systems are the most generous ones. When looking at the compositions of student financial support, one must bear in mind that the loans can be different types of loans. Student loans are mainly public, but in Finland they are private loans (granted by a private bank and guaranteed by the state).

As described above, the main principles of the student financial support schemes are similar in the Nordic countries, but there are differences too. The characteristics of student support for students studying abroad are described in Table 1.1. The general principle in the Nordic public student financial support schemes is that studies abroad are considered equal to studies in the home country. This means that students are also eligible for support if they are studying abroad, based on the same conditions as apply to domestic students. Some countries also provide additional funding for mobile students. At the time of the NGS 2007, Iceland, Norway, Sweden and the Faroe Islands provided support for tuition fees abroad, while there was no such system in Finland. In Denmark, support for tuition fees was not available until 2008. Furthermore, Iceland, Norway, Sweden and the Faroe Islands offer students support for travel expenses. In addition, the Faroe Islands, Norway and Iceland offer support for language courses, based on certain conditions. In Finland, students can receive an increased housing supplement when studying abroad and Sweden offers students an extra child allowance.

Table 1.1. *Characteristics of support schemes for mobile students in Nordic countries.*

	Can general student support be taken abroad?	**Tuition support?**	**Other support?**	**Support given as grants or loans?**
Denmark	Yes Outside the Nordic countries the support is limited to four years.	Before 2008: No After 2008: Yes, under certain conditions grants are given for up to 2 yrs.		
Faroe Islands	Yes	Yes	Travel expenses between the Faroe Islands and host country provided once a year. Travel expenses for research and other educational projects. Expenses for language courses for students studying in non-Nordic and non-English speaking countries.	Apart from the support mentioned here, which is given as grants, students can also apply for a loan. Primarily grants. However, if the cost of tuition is more than 120,000 kroner, students may take a loan for up to a maximum of 80,000 kroner.
Finland	Yes	No	Increased housing supplement and student loan. Housing supplement differs according to country of study.	Same rules as for domestic students: partly grant (incl. study grant and housing supplement), partly loan.
Iceland	Yes	Yes	Supplementary loans for travel expenses for student and the family. Loans for language courses for students studying in non-English speaking countries and non-Nordic countries (except for Finland).	Loan only.
Norway	Yes	Yes Up to ca €7000 per year for the majority of students. Students at certain prestigious universities are eligible to up to €20,000.	Travel expenses (depending on host country) From €700 to €2700). Language courses Up to €2000.	Partly loan, partly grant. Loans are partly converted into grants after passing exams. Master's students receive more grants than bachelor students.
Sweden	Yes	Yes Supplementary loan for tuition fees up to €5400 per year for the majority of students.	Supplementary loans for travel expenses and insurance costs. Extra child allowance.	Partly grant and primarily loan.

1.3 Statistics on student mobility from the Nordic countries

International migration is a powerful force globally; in 2002 more than 175 million people lived outside the country where they were born. Approximately three per cent of people in the world permanently leave their country of birth for another country. (Pekkala 2005.) Therefore, immigration has become a significant economic phenomenon in many countries, for both the sending countries as well as the receiving countries. The composition of migration flows has changed significantly over the last few decades. More individuals with (higher) education leave their country of origin and skilled migration is increasing (Florida 2007). Even though many countries have gained human capital through international migration, the utilization rate of the skilled labour force varies between the countries. One of the reasons for this is that foreign degrees are not uniformly acknowledged.

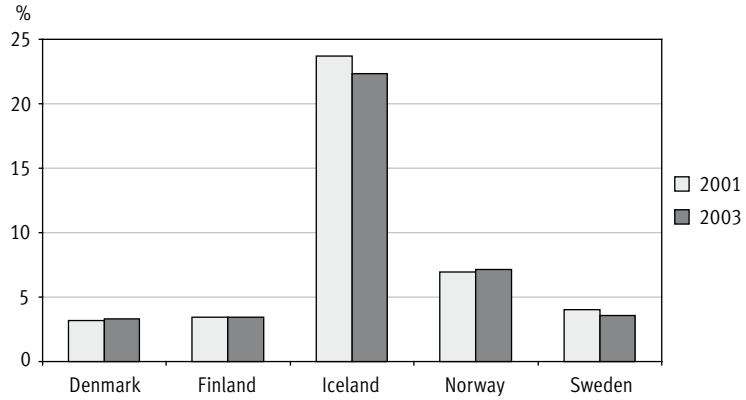
A notable share of the international migration consists of students. Student mobility is a form of temporal migration, though it in many cases becomes permanent. In 2007, as many as three million students in higher education were enrolled outside their country of citizenship (OECD 2009) and the number is increasing. The precise number of students studying outside their home country is difficult to estimate since accurate data is rather rare. Here, we will use two different sources for estimating the number of Nordic students studying abroad. One source is the OECD, which publishes statistics about international student flows. The other source is data from the national student support institutions in the Nordic countries.

Based on the OECD statistics, Figure 1.2 shows the total number of students from each of the Nordic countries studying abroad in 2001 and 2003 as a share of the country's total student body enrolled in higher education. The proportion of students abroad varies notably between the Nordic countries. The OECD does not provide numbers for the Faroe Islands, but from other sources we know that there are currently more than 60 per cent of Faroese students studying abroad. Apart from the Faroe Islands, Iceland has the largest relative share of students studying abroad, as more than one fourth of Icelandic students were studying abroad during the years investigated. The share of mobile students in Norway is approximately seven per cent, whereas in Finland and Denmark it is around 3–4 per cent of the county's total student body in higher education.

Another way of mapping the number of Nordic students abroad is to look at the statistics from the national public student support institutions in the respective countries. Figure 1.3 shows the number of mobile students in tertiary education abroad receiving student support.[6] The amount of Nordic students abroad has been declining in recent years, particularly among Swedes and Norwegians.

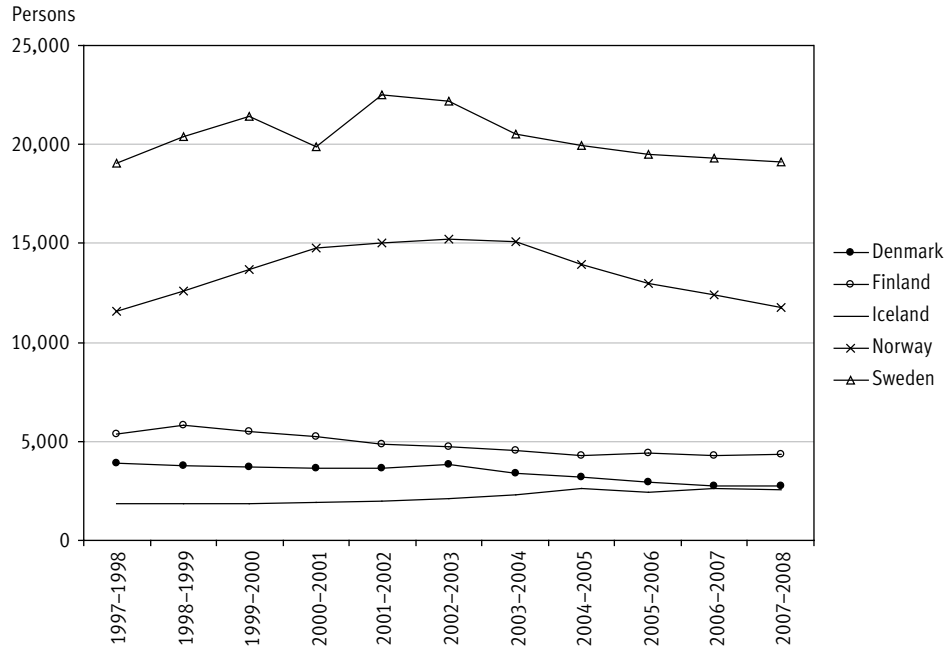
6 These figures are slightly underestimated, as some students may study abroad without student support.

Figure 1.2. *Citizens enrolled abroad (in other reporting countries) as a percentage of total tertiary enrolment in Nordic countries in 2001 and 2003.*



Source: OECD 2003 and 2005.

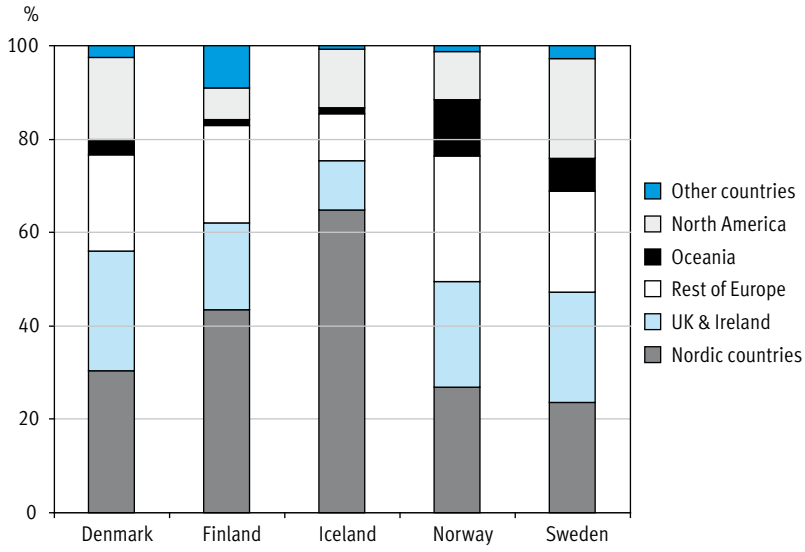
Figure 1.3. *Number of mobile students in higher education abroad (degree students) receiving student support during the academic years 1995/96–2005/06*[a].



[a] Here the information on students from the Faroe Islands is included in the Danish figures.
Source: Own calculations by Ilpo Lahtinen, 2009.

Most of the international students flow worldwide is directed to four countries: the United States, the United Kingdom, Germany and France (OECD 2009). Figure 1.4 shows the destination countries of Nordic students abroad based on the information from the OECD. A large part of the student flow is directed to other Nordic countries, especially when looking at Iceland and Finland. The United Kingdom and Ireland receive many Nordic students as well. Swedes more often study in North America compared to students from other Nordic countries, though this destination is popular among Danish students too. Norwegians more often than others go to Oceania and European countries other than Nordic and Anglophone ones.[7]

Figure 1.4. *Mobile students from the Nordic countries by country of destination in 2007.*



Source: OECD 2009.

1.4 Previous research and tentative hypotheses

1.4.1 Characteristic of the mobile students

Who are the students that decide to study abroad, and in what ways do they diverge from their peers at home? Mobile students may constitute an elite group in terms of their socio-economic background, their motivation, their personal features and their skills/talents. There are often additional economic costs related to studying abroad. There are also practical and social transaction costs attached to moving to another country. In addition, admission to certain universities is very restricted. Dealing with these kinds of challenges requires resources as well as motivation.

7 A high proportion of the latter group consists of students who go to Eastern European countries to study medicine.

Limited systematic knowledge exists on the socio-economic background of mobile students from Western countries. According to Maiworm and Teichler (2002), the educational background of the parents of ERASMUS[8] students is similar to that of the parents of other students. In contrast, the Eurostudent 2005 report observes that *'students from non-academic families make substantially less use of the opportunities for studying abroad than those from families with higher educational students'* (Eurostudent 2005, 157). Studies from Sweden (Zadeh 1999; Börjesson 2005) and Norway (Wiers-Jenssen 2008), show that mobile students (free movers as well as exchange students) have a higher social origin than non-mobile students.

Several studies have observed that mobile students often have parents or other relatives who have experience with living abroad (Opper et al. 1990; Murphy-Lejeune 2002; Börjesson 2005); this has also been confirmed by a Norwegian survey comparing mobile and non-mobile students (Wiers-Jenssen 2005). The latter study also shows that it is far more common among mobile than non-mobile students to have previous experience with living abroad. Having been exposed to international impulses through own experiences or through those of their relatives is an important component of a phenomenon labelled by Murphy-Lejeune (2002) as *mobility capital*. In this study, we expect to find that mobility capital is more common among mobile than non-mobile students too, but differences between countries may be present.

1.4.2 The professional value of student mobility

Though a substantial number of studies have addressed mobile students, the main focus has been on exchange students. Previous research has not paid much attention to impacts *beyond* graduation, such as the transition from higher education to work. Studies investigating the labour market outcomes of mobile students rarely include control groups of domestically-educated students. Hence, limited information exists on whether an education from abroad is an advantage or a drawback regarding employment and career.

The absence of research in this field is partly due to the fact that mobile students who have not participated in organized exchange programmes are hard to trace, particularly if they have graduated abroad. The lack of relevant registers makes it difficult to draw samples. The scarcity of research may also be due to the fact that outward degree mobility is a less common mode of mobility than exchange mobility in larger European countries as well as in North America. Places like the UK and the US have less than one per cent of their total student body abroad, and the total EU average is 2.2 per cent (Eurydice 2007). Exchange mobility has a high priority in the EU-area, with the ERASMUS programme catering to more than 150 000 students every year. Due to the Bologna process, degree mobility is receiving more political attention. A

8 ERASMUS (European Region Action for the Mobility of University Students) is a European student exchange programme established in 1987.

central aim of the Bologna process is to harmonize the degree structures in the EU and neighbouring areas[9] and to facilitate not only exchange mobility, but also the kind of student mobility which allows students to undertake an entire degree abroad.

Labour market outcomes of mobile students have been addressed in the evaluations of the ERASMUS programme (Maiworm and Teichler 1996; Jahr and Teichler 2002; Bracht et al. 2006). However, these studies rarely include control groups of non-mobile students, and cannot tell us how mobile students cope in the labour market *compared to* non-mobile students. The ERASMUS evaluation applies the terms 'vertical' and 'horizontal' career to describe categories of career outcomes. Vertical career outcomes refer to employment status, wages and career advancement, whereas horizontal career outcomes refer to differences in the type of position and in the content of the job. In this report, one specific aspect of horizontal career outcomes is addressed, namely whether international assignments are attached to the job.

The ERASMUS evaluations conclude that the impact of a sojourn abroad appears stronger regarding a horizontal career than a vertical career. Graduates who have studied abroad perceive their sojourn abroad as an advantage in the transition from higher education to work, though not as a catalyst for a significantly more successful career. However, many graduates hold jobs with international work tasks. Studies of German and British ERASMUS students find that mobile students are more likely to gain work experience abroad compared to non-mobile students (King and Ruiz-Gelices 2003; Parey and Waldinger 2007).

The few studies *comparing* mobile and non-mobile students from Western countries also indicate that studying abroad has stronger impacts on horizontal rather than vertical career outcomes. European mobile students are more likely to have international work tasks and to work abroad, compared to their non-mobile counterparts (Jahr and Teichler 2002; Teichler 2007). Jahr and Teichler (2002) also found that mobile students experience a smoother transition from study to employment. Research on Norwegian mobile students have shown positive as well as negative effects of higher education from abroad on labour market outcomes; mobile degree students seem to face more challenges entering the labour market, and are more likely to experience unemployment and over-education compared to graduates with a diploma from the home country (Wiers-Jenssen and Try 2005; Wiers-Jenssen 2005). On the positive side, the wage level of those who have studied abroad is higher than for those who have not. Exchange students are less likely to face transition problems when entering the labour market, but the economic bonuses seem lower than for those with diplomas from abroad. Both groups of mobile students have more international jobs than non-mobile students.

A Swedish study comparing degree students and exchange students found that the latter group is more successful in the Swedish labour market regarding vertical ca-

9 Though Norway and Iceland are not members of the EU, they signed the Bologna declaration in 2001.

reer outcomes (Zadeh 1999). Exchange students are more likely to obtain (relevant) employment and avoid unemployment and they report having higher wages. A study from Greece has investigated aspects of vertical career outcomes (employment, salaries and over-education) among full degree students who have returned to Greece after completing their studies abroad (Lianos et al. 2004). The results showed that graduates who had studied in EU countries were more successful than those who had studied elsewhere. However, the study does not tell us whether the mobile students were more or less successful than non-mobile students.

The transferability of education from abroad has been the subject of a number of studies on immigrants. A general finding from such studies is that education undertaken abroad results in a poorer labour market outcome than education undertaken domestically. This has been shown for the USA (Borjas 1995; Funkhouser and Trejo 1995; Bratsberg and Ragan 2002; Zeng and Xie 2004), for Canada (Krahn et al. 2000), and for Israel (Friedberg 2000). This indicates that higher education undertaken in one country may not be perfectly transferable to another.

The labour market outcomes of pursuing higher education abroad do not depend only on what kind of skills and competencies the graduates have to offer; they also depend on how the human capital is received in the labour market. Employers may feel insecure regarding evaluating diplomas from abroad and they may even be sceptical about higher education undertaken in other countries. Certain skills that the mobile students hold, like specific language skills, are not necessarily in demand. A study among Finnish employers shows that higher education from abroad is not automatically appreciated by employers (Garam 2005). The majority of employers prefer graduates with a Finnish degree to an equivalent degree from another country. Experience from abroad can be an advantage regarding international jobs, but it may be a disadvantage when searching for other type of positions. In a study from Sweden, employers state that they would rather hire someone with an education from both Sweden *and* abroad, rather than an all-Swedish or an all-foreign education (Zadeh 1999). Employers generally aim to minimize the risk of hiring the 'wrong' person, and hiring graduates with an educational background they are familiar with is a common strategy of 'playing it safe'.

1.4.3 What kind of labour market outcomes can be expected for Nordic mobile students?

Transition from higher education to work implies many challenges. To what extent the individuals succeed in getting a (relevant) job with good career prospects depends on a number of factors. The human capital and personal features of the individual (such as grades, prior working experience and personality traits) as well as the general situation of the labour market are significant. The student's field of study is also relevant, as some types of degrees are more in demand or more international in character than others. An interesting question to consider is how student mobility affects labour market outcomes. Student mobility is often described and promoted in a way that

takes enhanced career prospects for granted. But from what previous research tells us, this is not necessarily so. Positive as well as negative outcomes have been identified, and the extent to which mobile students are deemed 'successful' depends on the kind of indicators we use. From the studies reviewed above, it seems like a study sojourn abroad has stronger impacts on horizontal than vertical career outcomes.

It can be hypothesized that mobile degree students face some of the same problems as immigrants when returning to the home country after graduation. Examples of these problems include weaker professional networks, a lower level of relevant country-specific human capital[10], diplomas which employers fail to recognise or even scepticism among employers. Exchange students are less likely to be affected by these problems, as their sojourns abroad were shorter and they received their diplomas from domestic institutions.

Positive effects of studying abroad can also be expected. A sojourn abroad adds more to a person's human capital than just the education. Language skills and cultural skills are among the *added values* of studying abroad. Such skills may be labelled as *country-specific human capital*, or even *transnational human capital*[11], and may increase the attractiveness of graduates in the labour market. On the other hand, long sojourns abroad may imply absence of country-specific human capital related to the home country. Studying abroad implies missing out on parts of the 'agenda' back home, and in many cases not developing vocabulary and writing skills in your own language. In addition, part of education is often related to country-specific conditions, such as legal or cultural matters. In some cases, it can be a drawback not to possess this kind of knowledge.

Mobile students' success in the labour market may also be due to experiences and characteristics that were present even before studying abroad. If those who go abroad diverge from those who stay home in the first place, e.g. regarding academic performance, international exposure or personality profile, it is likely that this will affect their labour market prospects. Previous research from Norway has shown that mobile students believe that they diverge from non-mobile students in that they have more initiative and are more outgoing (Stensaker and Wiers-Jenssen 1998). A study comparing mobile and non-mobile medical students indicates that mobile students have a more 'robust' personality profile than non-mobile students (Aasland and Wiers-Jenssen 2001). This indicates that mobile students constitute a select group regarding personality profile and motivation. Such features may be appreciated in the labour market. A European study among employers indicates that employers regard mobile

10 County-specific human capital can be defined as a form of human capital that is generally more relevant in a certain country than elsewhere (Wiers-Jenssen and Try 2005). Examples include language skills, knowledge of the rules and regulations of a certain country, codes of conduct, etc.

11 Transnational human capital can be defined as international skills which are applicable across national borders. Examples of this include language skills which make it possible to communicate in a range of countries (like English, French and Spanish) and certain cultural skills.

students as possessing more of certain skills, like adaptability, initiative and problem-solving capabilities (Bracht et al. 2006).

Some of the factors that may have an impact on labour market success or failure for mobile students are summarised below.

- Characteristics of mobile students. Who studies abroad? The brightest students, those who are not accepted at domestic higher education institutions, those with a high social origin or those with certain personality features? If mobile students constitute a positively selected group, their labour market opportunities are likely to be good.
- Host country. Where do mobile students go to study? To countries in which they gain transferable country-specific human capital, or to countries where the added value of studying abroad is less transferable?
- Host institution. Have they studied at well known and top ranked universities, or at less known institutions?
- The demand for international skills.
- Employer attitudes. Are employers able to evaluate and appreciate higher education from abroad? Employers tend to play it safe in recruitment processes, and if many avoid candidates they are not able to evaluate this may imply *statistical discrimination* at an aggregated level. This may be related to the traditions for and prevalence of student mobility; if mobility is a rare phenomenon, employers in general have less experience with appointing graduates with diplomas from abroad.
- General economic situation of a given country – unemployment rates and the structure of the labour market. In a situation with high unemployment rates, graduates with a 'non-traditional' background may face more difficulties getting access to the labour market.

Some of the factors listed above are related to the supply side – the individuals and their human capital – while some are related to the demand side – the employers and the economic realities within which they are operating. Our data and analyses do not allow us to take all of these considerations into account. Nevertheless, it is important to keep them in mind when interpreting the results.

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2 THE NORDIC GRADUATE SURVEY 2007 – COMPARATIVE PERSPECTIVES

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In this chapter, we compare the central findings from the countries participating in the Nordic Graduate Survey 2007 (NGS). The results disclose interesting similarities as well as diverging patterns, and provide new insight into student mobility from the Nordic countries. First, we outline the design of the study and data collection procedures, including some limitations regarding comparability. Following that, we present a selection of results. The topics we investigated include the graduates' background, their motives for studying abroad, sources of study finance, the transition from higher education to working life and the extent to which student mobility leads to an international career. Finally, we compare mobile degree students to non-mobile students to the extent possible.

2.1 The design of the NGS 2007: background and limitations

The NGS 2007 was conducted independently in each of the participating countries: Finland, Norway, Iceland and the autonomous region of the Faroe Islands. In spring 2007, a highly standardized questionnaire was sent to graduates in the respective countries. The objective was to keep the questionnaires as similar as possible in order to make the results comparable. Still, each country had the possibility to add its own questions to the questionnaire and modify the questions to fit the local conditions. This implies that, while most data is suitable for direct comparisons, not all of it is. We present some of the results from the country-specific data in the chapters on each of the different countries (3–6).

The target group of the surveys was graduates who had completed tertiary education one to five years before the survey – abroad or in the home country. The fact that the majority of Nordic mobile students are entitled to public financial support and, therefore, are clients of the national student support institutions has an unintended advantage regarding research. This system provides us with customer databases (registers) making it possible to identify and trace mobile students, a task that seems to be difficult in most other western countries. Regarding sampling, different strategies were used. A scarcely populated region like the Faroe Islands selected all graduates from a certain period (2004–2006) for the sample in order to get a sufficient number of respondents, whereas Norway selected a smaller proportion of graduates and chose to focus on certain groups – Master's students and a limited number of subject fields[12]. Finland included all of those who graduated abroad in the sample

12 Business and administration, technology and science, social sciences and media/journalism. See Chapter 4 for more information.

and a random sample of the domestic graduates[13] (Master's students). The national reports have more detailed information about sampling procedures (ParX 2007; Olsen 2008; Saarikallio et al. 2008; Wiers-Jenssen 2008b). The central features of the data collection are shown in Table 2.1. The survey was carried out as an online survey in Finland[14] and Iceland. Norway and the Faroe Islands provided an option to fill out the questionnaire online, though the target group was first approached with a paper questionnaire by mail. Finland, Norway and the Faroe Islands sent two reminders to the target population, whereas Iceland sent three reminders. The response rate was highest in the Faroe Islands (60%) and lowest in Finland, (36%). Altogether, the NGS 2007 has collected information about ca. 6500 graduates from the Nordic countries, of which approximately 2 600 graduated abroad.

Table 2.1. *The design of the NGS 2007.*

	Finland	Norway	Iceland	Faroe Islands
Absolute number of graduates in the survey	2512	2320	1114	513
of which graduated abroad (N)	858 (34%)	1111 (47%)	313 (28%)	309 (60%)
Response rate (%)	36	46	42	60
Type of survey	Online	Online + paper	Online	Online + paper
Field phase	April – June 2007	April – June 2007	April – July 2007	April – July 2007

In Finland, the study was carried out by the research department of The Social Insurance Institution, Kela. In the other countries, the public student support organisations do not have research units and so they found other ways of collecting and analysing data. The State Educational Loan Fund (Lånekassen) in Norway assigned the job to the research institute NIFU STEP, the Icelandic Student Loan Fund (LIN) outsourced the task to the market research company ParX and in the Faroe Islands a Master's student helped The Student Grant Fund (Stuðulsstovnurin) to collect and analyse the data. The absence of common funding, and the fact that a range of actors have been involved in designing and carrying out the study, has imposed certain limitations regarding the ability to generate comparable data.

Unfortunately, the financial crisis that has struck Iceland particularly hard after the survey was conducted has affected Iceland's participation in the project. LIN has had a limited ability to provide data other than that published in the Icelandic report

13 Finnish data from non-mobile students was adjusted to represent the population of the student register where the sample was drawn. The year of graduation, age and gender were used to develop the weights.

14 An information letter introducing the survey was first sent to the target group by mail. A paper questionnaire was sent upon request.

(ParX 2008). Due to this, results from Iceland are missing in some tables and figures. In some cases, missing data from Iceland (or other countries) are marked in the tables as n.a. (not available). The fact that the data file from Iceland has not been accessible to the editors has also made it impossible to calculate statistical significance levels for the Icelandic data. This is one reason why significance levels (also regarding other countries) are generally not taken into consideration.

As mentioned above, different sampling procedures also impose challenges regarding comparability. For example, the Norwegian sample contained students from certain fields of study and mainly graduates with a master's degree or equivalent while the samples of the other countries included all subject fields and higher proportions of graduates with bachelor's degrees (this is reflected in Figure 2.1). Such differences are likely to affect selectivity as well as employability and skill mismatch and the numbers undertaking further education. One must bear in mind these limitations when interpreting the results, and we will remind the readers of this when particularly relevant.

When doing cross-national comparisons, there are also some contextual factors that are important to remember. According, for example, to Hannan et al. (1996), there are economic, socio-demographic and institutional characteristics that may vary significantly between the countries and which have an effect on results. Demographic factors, such as the age structure of the population and the relative size of the youth cohort, are relevant. Also, the labour market structure as well as wage setting mechanisms might have an effect on the certain differences between the countries. In addition, the general economic situation of the countries is relevant. While all of the NGS countries have experienced periods of rather high economic growth during the years studied (2002–2007), the unemployment rates differ between the countries. The unemployment rate in Finland was 9 percent in 2004, while the rate was 5 per cent in Norway, 3 percent in Iceland and 4 per cent in the Faroe Islands (Nordic statistical yearbook 2009, 128; based on the numbers from Eurostat statistics and national statistical institutes). These differences are likely also to affect recent graduates' chances of getting a job. In addition, there might be differences between the countries in general transition patterns from education to work. Thus, the challenges the Faroese graduates face when entering the labour market might be quite different than the challenges Finnish graduates face.

Despite the limitations and contextual differences explained above, the NGS 2007 provides important new knowledge about student mobility from and between the Nordic countries. Comparing different countries puts the results from each country into perspective, and helps us to identify some trends and patterns. The comparative analyses address a limited number of topics, where the data are sufficiently suitable for comparisons.[15] Some topics less suitable for comparative analysis are investigated in the country chapters.

15 Some interesting topics such as wages are not included in the comparative chapter due to that the data files were not merged. Furthermore, the data regarding to wages is challenging to compare across countries and that wages should

2.2 Mobile students' profile: Who goes abroad, and where do they go?

Among our respondents, females are over-represented among mobile students in all countries except Norway (Table 2.2). In Finland, up to 73 per cent of the mobile degree students are women. This, most likely, is due to the fact that in Finland, as in many other Western countries, the share of women in higher education overall has strongly increased over the last decades[16]. In Norway, subject fields traditionally chosen by men, like technology and science, constitute a substantial part of the sample, and due to this, the proportion of women is lower among the respondents than in the total student population.[17]

The average age of the respondents at the time of the survey was highest in Iceland, nearly 33 years, and lowest in Norway, 30.5 years. However, these differences are related to the number of years since graduation (varying between 1–5 years). Graduates who have studied abroad are generally younger than those who have studied in the home country.

Regarding level of education (Figure 2.1), we see that Finland and Norway have a high proportion of graduates with a master's degree. For Finnish non-mobile students, this is mostly explained by the structure of the educational system. Before 2005, the vast majority of Finnish students enrolled in tertiary education were accepted into programmes leading directly to a masters' degree. As a consequence of the Bologna process, Finland adapted itself to the European degree structure and tertiary education was divided into two stages, during which one first finishes bachelor's degree and

Table 2.2. *Proportion of female respondents and respondents' average age at the time of the survey.*

	Finland	Norway	Iceland	Faroe Islands
Female graduates				
All, %	61	49	65	59
Mobile, %	73	48	n.a.	63
Non-mobile, %	61	51	n.a.	53
Respondents age at the time of the survey, average				
All, years	32	30	33	31
Mobile, years	30	30	33	30
Non-mobile, years	33	31	33	33

preferably be analyzed by controlling for other variables.

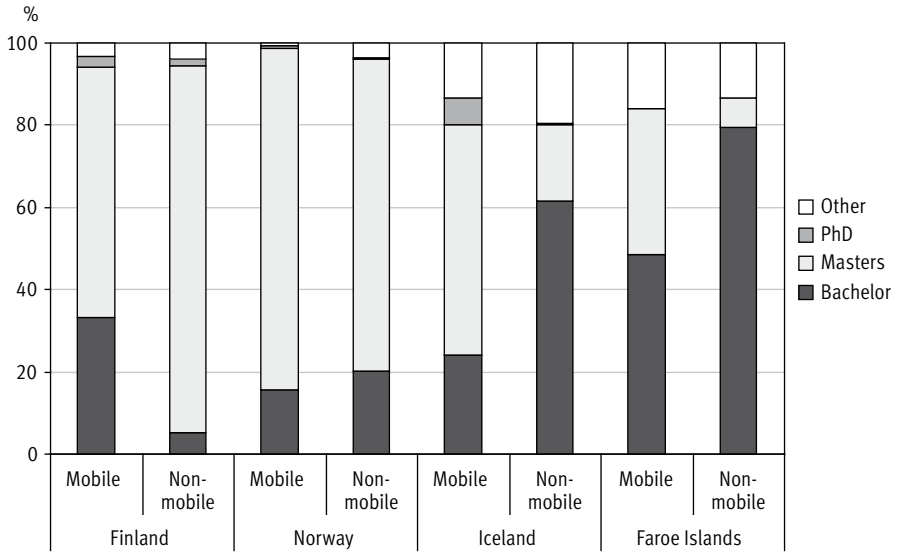
16 The share of women among university graduates was 63 per cent in Finland in 2007 (Statistics Finland 2009).

17 In 2008, 61 per cent of all Norwegian students in higher education were female (Statistics Norway 2009).

only then can be admitted to master's programme. For Norway, the high proportion of Master's students is due to the sampling procedure; the target group was mainly graduates with a master's degree.

Regarding where mobile students have been studying (Table 2.3, p. 44), there are substantial variations between the Nordic countries. The majority (76%) of Norwegian students and almost half (49%) of Finnish students have studied in Anglophone countries. Among Norwegians, Oceania (more specifically, Australia) was a particularly popular destination.[18] North America is a more popular destination for Icelanders than for other Nordic nationalities. Half of the Icelanders and more than one-quarter of the Finns have studied in other Nordic countries, and the Nordic countries were also the main destination of Faroese students. As mentioned earlier, the Faroe Islands are an autonomous region of Denmark, and due to this, most Faroese students go to there to study. Studying in European countries other than Nordic and English speaking ones is more common among Finns than others. The host countries seem to differ from the destination countries reported by the OECD (see Figure 1.4, p. 28), which is due to the sampling procedures and that the OECD numbers also include exchange students.

Figure 2.1. *Respondents' level of education.*



Finland: A new education system was put into practise in 2005. Before that, the majority of students in higher education enrolled directly to a masters' programme.
Faroe Islands: In the questionnaire, the category 'other' was defined as 'lower than degrees above'.

18 When Norway began giving loans and grants to mobile students studying outside Europe and North America in 1993, within a few years Australia became the most popular destination for Norwegian students. An English speaking country with moderate tuition fees, Australia became an attractive alternative to the UK and the US. Professional marketing strategies of Australian universities and an appealing climate contributed to attracting many Norwegians.

Table 2.3. *Host country for mobile degree students (%).*

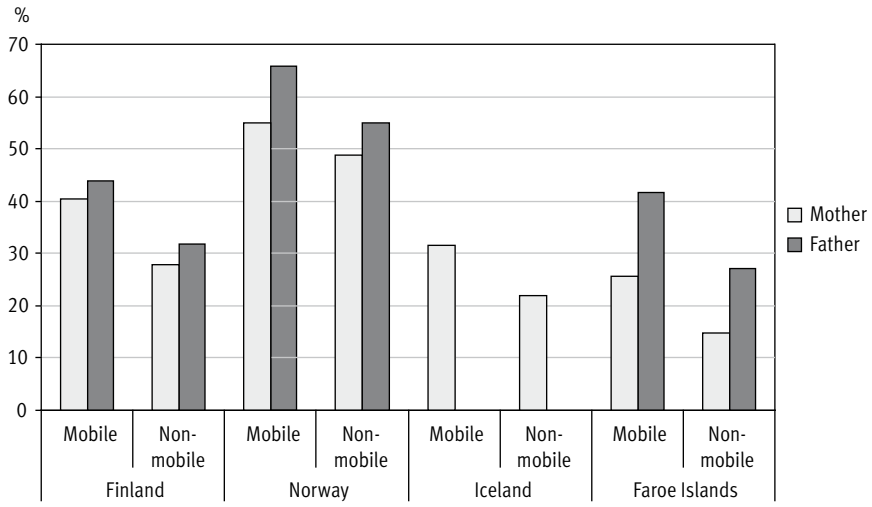
	Finland	Norway	Iceland	Faroe Islands
Nordic countries	26	7	47	93[a]
UK & Ireland	39	34	20	5
Rest of Europe (excl. Nordic countries, UK and Ireland)	23	11	11	1
Oceania (Australia, New Zealand)	2	33	n.a.	0
North America (USA and Canada)	8	9	20	1
Other countries/unknown	2	6	n.a.	0

[a] Including Denmark (n = 278)[19].

2.2.1 Social origin and mobility capital

It is well documented that students in higher education are more likely to have parents in higher education than other youth (e.g. Breen and Jonsson 2005). However, the social origin of mobile students is less investigated, and the results of different studies are not strictly coherent (cf. section 1.4). The results from the NGS 2007 show that mobile students are more socially selected than non-mobile students, as illustrated in Figure 2.2.

Figure 2.2. *Proportion of parents with higher education.*



Iceland: Figures correspond to both parents (mother *or* father).

19 Since the Faroe Islands are an autonomous province of Denmark (see footnote 3 and Chapter 6), Denmark is here treated as a foreign country.

The interesting information is the relative differences between mobile and non-mobile graduates. When looking at the share of graduates who have more highly educated fathers, we see that the difference between mobile and non-mobile students is most visible in the Faroe Islands. Also, in the other countries mobile students more often have a more highly educated father than non-mobile students, but the differences between the two groups are somewhat smaller. The pattern is similar for the mothers as well, though the differences between the groups are not as large as for fathers. Hence, mobile students in all countries included in the survey seem to constitute a socially selected group.

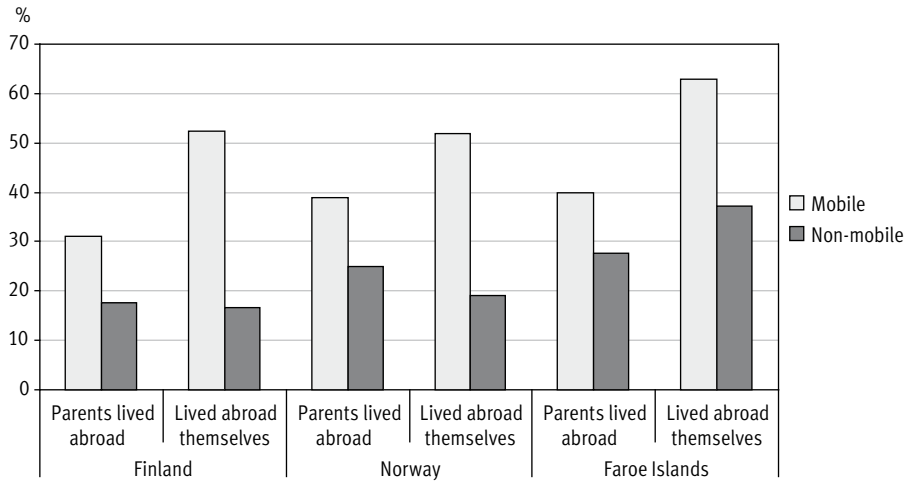
Another interesting observation is the difference between the countries. The Norwegian graduates more often have parents with a higher level of education than graduates from other countries. This is partly due to the fact that most of the Norwegian graduates included in this study hold a master's degree, and that students at this level are generally more socially selected than Bachelor's students. In general, the proportion of the population holding degrees in tertiary education is no higher in Norway than in the other countries (Nordic statistical yearbook 2009, tab 5.3).

The results above are interesting in relation to the policies of equal opportunity in education. The public support systems in the Nordic countries aims at removing barriers to entering higher education, but regarding education abroad, a substantial social selectivity is observed. This will be discussed further in Chapter 9.

As mentioned in Chapter 1, the family background of mobile students may contribute to selectivity in another respect, regarding *mobility capital*. This is a form of exposure to different environments that can also be mediated through parents. The results of the NGS 2007 show that it is far more common for mobile students to have parents who have lived abroad earlier, compared to non-mobile students (Figure 2.3, p. 46). The proportion is more than 10 percentage points higher among mobile students than among non-mobile students, and the pattern is similar in all countries.

Furthermore, many of the graduates had prior experience with living abroad themselves as well. Approximately twice as many mobile students have this kind of experience, and this pattern is found across each of the countries. The difference between mobile and non-mobile students is greatest in Finland and in Norway where the share of those mobile students who have lived abroad prior to their studies is almost three times higher than for non-mobile students. Among the Faroese, more than 60 per cent of mobile degree students had lived abroad prior to their studies.

Figure 2.3. *Proportion of graduates with parents who have lived abroad and who have themselves lived abroad before their studies.*



2.3 Motives for studying abroad

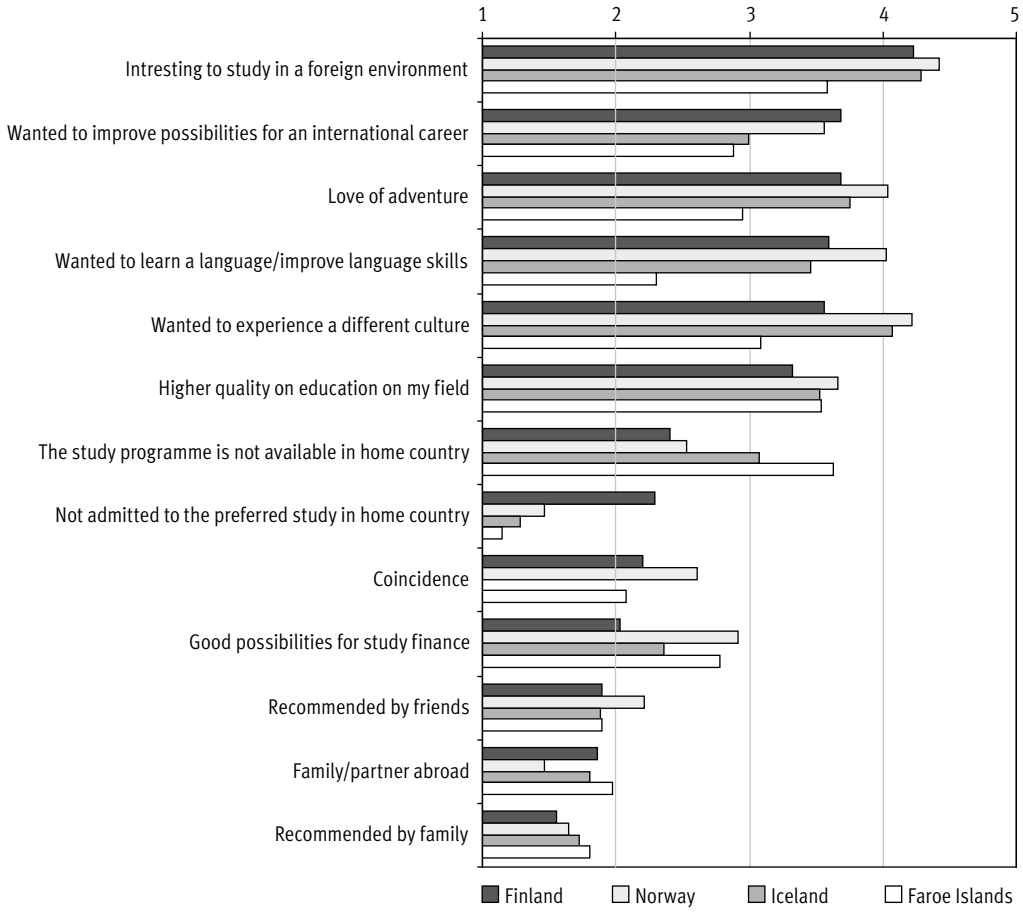
Why do some go abroad to study while others stay at home? There are numerous reasons and combinations of reasons for why young people decide to undertake education in another country. According to Wreber and Björk (2006, 15), four different types of motivations can be distinguished. First, some go abroad to study for purely educational reasons; they want to pursue a specific programme of study or subjects abroad or they were not admitted to a university/institution they wanted to attend at home. Second, some travel abroad to study because of economical and social reasons; studies and living expenses are considered to be cheaper abroad than in the home country or they already have some social ties or connections to the destination country. Third, job opportunities in the future might be crucial for some, as well as accessing the labour market opportunities in the host country during their studies. Lastly, living independently in a foreign environment, learning languages or even love of adventure can be important driving forces as well.

Based on a survey of Norwegian mobile students, Wiers-Jenssen (2003) identified three categories of individual rationales for studying abroad. The first category is labelled *new impulses*, and it corresponds to the last type of Wreber and Björk's categories. Students in this category search for the *added value* of studying abroad. The second category is labelled *different education*, and it consists of motives related obtaining an education that is not offered in the home country or is perceived to have a better quality abroad. The third category is labelled *urge*, and it has to do with a strong desire to pursue a certain field of study for which it is difficult to get admitted to in the home country (such as medicine). An alternative way of categorizing mobile students is to separate those who *want to* go from those who *have to* go (due to limited opportuni-

ties in the home country). Students from developing countries are often found in the latter category, while students from a Western country more often go in search of the added value of studying abroad.

Looking at the results of the NGS 2007 (Figure 2.4), the rationales mentioned above can be recognized. The most frequently reported motive for students from all four countries is interest of studying in a foreign environment. Interest in experiencing different cultures, love of adventure and the desire to learn new languages are significant factors behind the decision as well. In other words, the added value of studying abroad has been a major motivation – at least when seen retrospectively. The Faroese, however, put less emphasis on this type of motivation; they study abroad mainly due to limited educational opportunities in the Faroe Islands. Also, in Iceland there is or has been a limited supply of master's (and PhD) programmes in some subject fields and it has therefore been necessary for students to go abroad to take postgraduate studies.

Figure 2.4. *Average scores of motives for studying abroad, mobile degree students. The scale ranges from 1 (no importance) to 5 (great importance).*



Among Finnish students, difficulties in getting admitted to the preferred study programme are more often mentioned as a reason for studying abroad than in other countries. From previous research, we know that this is also a major motivation for the huge contingent of Norwegian medical students abroad as well (Wiers-Jenssen 2000).[20] Good possibilities for financing the studies are also emphasised as an important reason for studying abroad, especially among Norwegians and the Faroese. The Finns agree less with this statement than graduates of other nationalities, which is not surprising considering that the public support system for mobile students is less generous in Finland than in the other countries (cf. section 1.3).

Students coming from small countries with a limited range of educational options are more likely to study abroad because they *have to* rather than because they *want to*. However, most students express a combination of motives and the majority expresses a strong interest in acquiring new experiences and skills through studying in a foreign environment.

The results must, however, be interpreted with caution. It has been several years since the respondents made their decision and they may not recall their initial motivation. Hence, the responses may reflect their current rather than their initial judgement of the situation. Previous studies have shown that the type of motivation varies according to the type of study programme (Wiers-Jenssen 2003), which we have not taken into account here. Still, the data provides new information on the rationales for studying abroad, seen from the perspective of students.

Studying abroad has become an important part of the internationalisation strategies of countries as well as higher education institutions. Students are encouraged to go abroad and student mobility is promoted as an academically and culturally rewarding experience. Still, the majority of Nordic students (except those in the Faroe Islands) choose to undertake their degrees in the home country. Why is this? In some countries this is a question that worries policy makers who want to increase the number of students abroad[21].

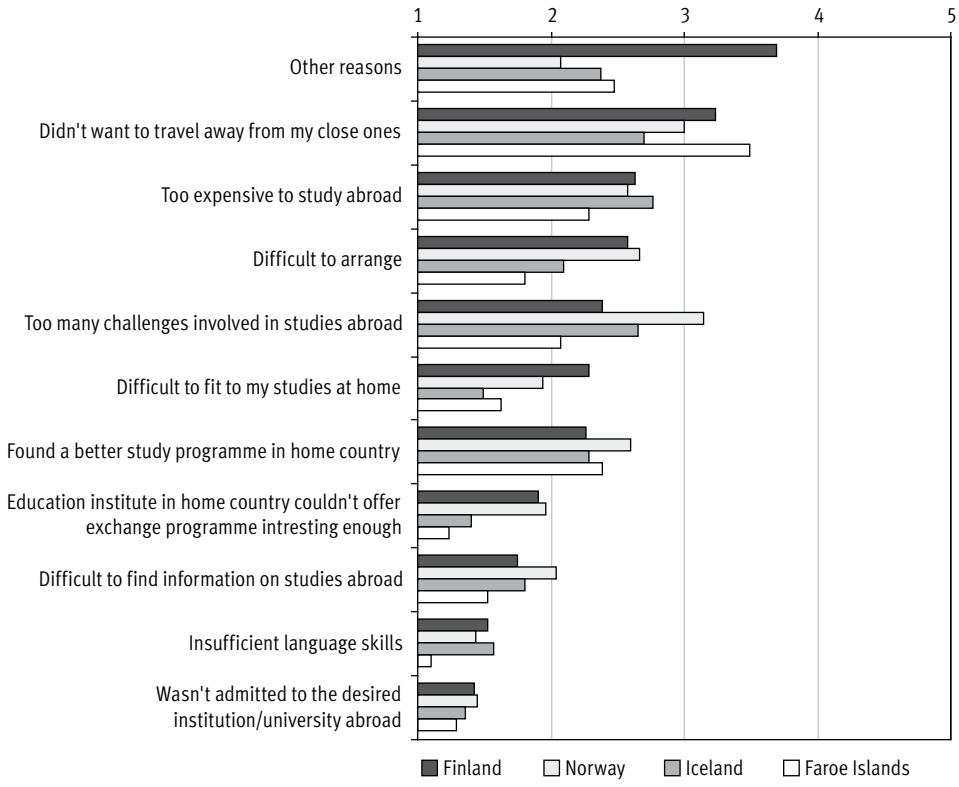
In the NGS 2007, we took the opportunity to ask the non-mobile students if they had ever considered studying abroad, and if so, why did they decide against it. The results show (Figure 2.5) that the most important reason for not studying abroad, across all the countries, was that respondents did not want to travel so far away from their loved ones. Another reason frequently reported was that there were too many challenges and difficulties attached to studying abroad. Economic considerations were also emphasised. The 'other' category in this question rated rather high, indicating that there

20 Medical doctors from Norway are not included in the NGS 2007.

21 In 2008, the Norwegian Ministry of Education became worried about the fact that the number of Norwegian mobile students had been decreasing in recent years and it ordered a report investigating the possible reasons for this development.

are significant reasons not covered in the questionnaire. The rationales for not going abroad are personal as well as practical. The latter is possible for governments and higher education institutions to influence, and there is certainly room for improvement.

Figure 2.5. *Motives for not studying abroad, non-mobile degree students. Average scores on a scale of 1 (no importance) to 5 (great importance).*



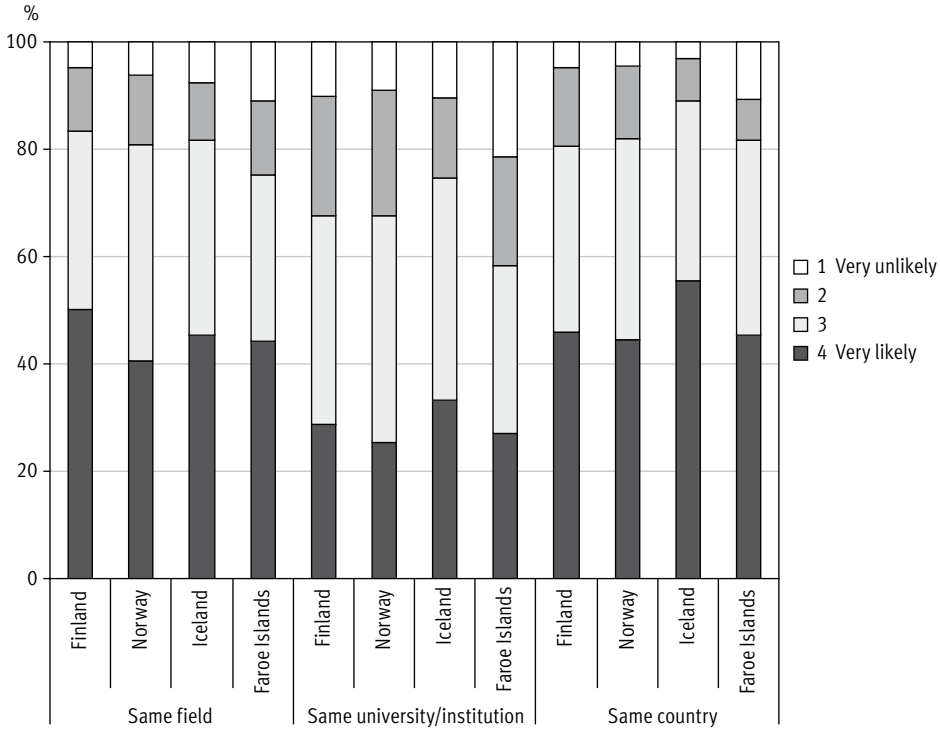
2.4 Satisfaction with studying abroad

Above we have presented information on why Nordic citizens choose to study abroad. Now we will briefly look at how they evaluate their sojourn abroad after completing their studies. One way of mapping satisfaction is to ask people whether they would do the same thing again, and graduates were asked three hypothetical questions: whether they would choose again the same subject field (study programme), the same university/higher education institution and the same host country.

Most of the mobile degree students seem quite content with the choices they have made regarding subject field, university and host country. This is illustrated in Figure 2.6 (p. 50). The vast majority responded that it is rather likely that they would make

the same choices again. In general, the graduates would be slightly more likely to reconsider their choice of university or subject field rather than the country of study. Icelanders appear to be most satisfied with the choice of host country, as more than half of them would choose the same country again. The proportion of those who would most likely reconsider their choice of country is highest in the Faroe Islands. Most of the mobile students are also satisfied with the field they have studied, but the share is the highest among Finns. The share of graduates most likely to reconsider the choice of subject field is slightly higher among the Faroese than other nationalities.

Figure 2.6. *Mobile degree students' assessments of the likelihood of making the same educational choices again.*



2.5 Sources of finance – the role of public student support

In chapter 1, we outlined the student support systems in the Nordic countries and saw that the support structures differ between the countries. This is reflected in the way graduates report having covered their expenses during their studies abroad.

Public support is the most important source of finance in all countries[22]. Table 2.4 shows how students financed their studies. The Norwegians draw most heavily upon public

22 This may partly be related to the ways the samples were drawn. In most of the countries, the samples were drawn from

support, but more so in the form of loans than grants. In Iceland, the public support consists only of loans; hence, this is the most important source of study finance. The Faroese get half of their expenses covered by grants, while the respective share for Finns is one third. The Finns are more dependent on private sources than graduates from the other countries, and support from parents plays a more important role for Finns than for others. In addition, the Finns and the Faroese cover a greater part of the expenses from their own income, compared to the Norwegians and the Icelanders.

Table 2.4. *Sources of study finance, mobile degree students.*

	Finland	Norway	Iceland[a]	Faroe Islands
Grant from public student support institution	36	27	n.a.	51
Loan from public student support institution[b]	17	49	56	13
Financial support from parents	15	6	8	6
Income from work	15	5	9	19
Own savings	8	8	10	7
Scholarship from other sources	6	2	8	1
Other loan from a private bank	2	1	5	2
Scholarship from mobility programme	1	0	3	0
Other	1	2	1	2
	100	100	100	100

[a] Both mobile and non-mobile students included.

[b] In Finland student loans are guaranteed by the state and drawn from a private bank.

2.6 Integration into the labour market

Entering the labour market is not always straightforward. A certain time span between graduation and employment is often experienced. The duration of the search period depends on many different things, such as the general macro-economical situation in a country. The transition process from education to work has changed during the last couple of decades in many countries. The transition period has become longer and transition patterns have become less defined and less certain (OECD 1999; see Salas-Velasco 2007). Furthermore, the integration process into working life often includes periods of unemployment, job shifts, over-education and other job mismatches (Allen and van der Velden 2007, 55). If these problems become prolonged, they might have long-term effects on graduates' careers.

the population which had applied for and received student support. In addition, there are a certain number of students studying abroad without public support. The exact number is unknown but is assumed to be rather small.

The central aim of this report is to investigate whether the transition process is more or less complicated for mobile degree students compared to those who have graduated in their home country. In Chapter 1, we presented some considerations about what kinds of patterns we expected to find; now, we will look at the results. The transition from higher education to the labour market will be addressed in more detail in the chapters on Finland (Chapter 3) and Norway (Chapter 4).

2.6.1 The transition from higher education to work

In Table 2.5 we see that there are some differences between the countries when looking at the average duration between graduation and employment. For Norwegian and Faroese mobile students, the duration is slightly longer than for non-mobile students. The time span is longest for Finns and shortest for Faroese. For Iceland, we do not have figures that distinguish between mobile and non-mobile students, but the average for both groups is 2.3 months, which is, on average, below the other Nordic countries. However, when looking at these numbers, it is important to notice that they are average figures. In the Chapter 3 the duration between graduation and first employment is examined more in detail for Finnish graduates.

Table 2.5. *Duration (the average number of months) between graduation and first employment for mobile and non-mobile degree students.*

	Finland	Norway	Faroe Islands
Number of months before first employment, average			
Mobile, months	5.6	4.1	2.7
Non-mobile, months	6.0	3.5	2.4

2.6.2 Labour market status at the time of the survey

At the time of the survey, one to five years after graduation, the vast majority of the respondents were employed (Table 2.6). The employment rates and other labour market statuses vary substantially between graduates from different countries due to a range of country specific conditions which cannot be addressed within the scope of this report. We will just briefly touch upon the employment situation in order to contextualize the results. The overall development of the economy in the Nordic countries has been rather good in the middle of the first decade of the twenty-first century. In 2007, the real GDP growth rates in all of the Nordic countries, except for Denmark, were above the EU average. The employment rates in the Nordic countries varied between 70 per cent (Finland) and 85 per cent (Iceland); yet, they were above the EU average in every country in 2007. (Eurostat 2009.) Finland has suffered the most from unemployment; the rate of unemployment was almost seven per cent in

Finland in 2007, whereas it was only 2.5 per cent in Norway. However, the employment situation in Finland has improved and the unemployment rate has been below the EU average since 2006. (Nordic statistical yearbook 2008; Eurostat 2009.) Furthermore, the demand for highly-skilled labour has not decreased, as the unemployment rate of the highly educated workforce has been quite moderate in Finland as well as in other Nordic countries. In 2003, the rate of unemployment among the highly educated varied between 2.7 per cent in Norway and 4.7 in Denmark. (Ghose et al. 2008, 168.)

As seen in Table 2.6, the level of employed graduates is the highest among Norwegians, more than 90 per cent, although the share is almost as high in Iceland as well. In Finland, Norway and the Faroe Islands, the share of employed graduates is higher among non-mobile than mobile graduates. The proportion of employed mobile graduates is lowest among the Finnish and Faroese. The share of those who are doing domestic work is clearly higher among Finns than among other nationalities. However, one must bear in mind that in Finland those graduates who are on maternal or paternal leave fall into the 'domestic work' category, whereas in other countries they are included in the 'employed' category. Thus, the actual number of employed Finns is somewhat higher.

The proportion of unemployed graduates is highest among the Finns and lowest among the Icelanders. Furthermore, among Finns and Faroese unemployment rate is somewhat higher for mobile students than for non-mobile students, whereas there is almost no difference between Norwegian and Icelandic mobile and non-mobile groups.

In the rest of this section, the focus is on those who are employed. We will look at different aspects of employed graduates' current employment situation; whether they have a job that corresponds to their skills, whether they work in the public or the private sector and whether they have international jobs.

Table 2.6. *Labour market activity at the time of the survey (1–5 years after graduation).*

	Finland		Norway		Iceland		Faroe Islands	
	Mobile	Non-mobile	Mobile	Non-mobile	Mobile	Non-mobile	Mobile	Non-mobile
Employed	76.9	78.3	90.7	92.4	88.8	86.2	76.3	87.7
Student	4.6	4.4	4.4	3.0	4.0	8.0	8.1	4.9
Domestic work	7.0[b]	6.9[b]	0.8	0.2	4.3	1.7	1.0	2.0
Military	0.1	0.2	n.a.[a]	n.a.[a]	0.0	0.1	n.a.[a]	n.a.[a]
Unemployed	5.3	3.2	2.0	2.0	0.0	0.9	3.6	2.0
Other	6.2	6.9	2.1	2.5	2.8	3.0	11.0	3.4

[a] Military was not an alternative in the Norwegian and the Faroese questionnaire, and respondents falling into this category are likely to have placed themselves in the "other" category.

[b] The alternative of domestic work was formulated in such a way that it also included maternal and paternal leave and child home care, whereas in the other countries the formulation contained only domestic work.

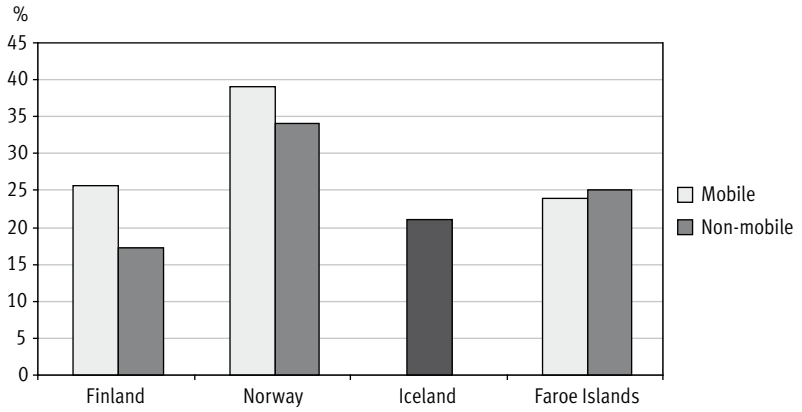
2.6.3 Skill mismatch

To what extent do graduates obtain a job that matches their skills? There are several different ways of measuring the imperfect match between a graduate's education and the educational requirements of a job. Skill mismatch, especially over-education, is important to examine since it might have an effect on productivity, earnings as well as the job satisfaction of an employee. The country chapters from Finland and Norway go more into detail about this. In this chapter, we will look at two different ways of measuring over-education and skill mismatch. In the NGS questionnaire the graduates were asked to evaluate how well their job corresponds to the level of education they have undertaken as well as to assess to what extent they are able to use their skills and competencies in their current job. The results are shown in Figures 2.7 and 2.8.

Regarding Figure 2.7, **over-education** is defined broadly as including those who are working in a job that requires an education at a lower level than the education which graduates possessed at the time of the survey. The questions regarding job qualifications were not formulated identically in all countries and the definition of over-education differs somewhat between the countries[23]. Despite this, we assume that Figure 2.7 gives a sufficiently accurate indication of the differences between the countries regarding over-education.

In Finland and Norway, mobile degree students more often than non-mobile students hold jobs that require a lower level of education (Figure 2.7). Norwegian graduates

Figure 2.7. *Proportion of over-educated (broad definition) mobile and non-mobile students.*



Iceland: Shares for Iceland refer to all respondents.

23 *Norway, Iceland and the Faroe Islands*: The share of over-educated graduates is constructed from the responses to the following alternatives: 1) Job requires higher education, but at a lower level than my education; 2) Job does not require higher education but it is a advantage to have it; and, 3) It does not matter if one has a higher education or not.
Finland: The share of over-educated graduates is constructed from the responses to the following alternative: Job requires an education lower than the level of my education.

seem more prone to be over-educated compared to other countries, and this applies to non-mobile graduates as well. In Norway the share is almost 40 per cent, while in Finland and the Faroe Islands approximately one-quarter of the mobile students are over-educated. Among Faroese graduates, there is almost no difference in over-education between mobile and non-mobile students. Seeing these groups together, we find that one-fifth of the graduates are working in a job which requires a lower educational level than they have.

What could explain the difference in the levels of over-education between the countries? One of the underlying factors is the educational level of graduates. As mentioned earlier, the sampling procedures were somewhat different between the countries. Norway included mainly Master's students in their sample, while the other countries included more lower-level degrees in their samples. Also, some subject fields which are known to have fewer problems with over-education, such as medicine, were not included in the Norwegian sample. Hence, there is a chance that the observed differences reflect different compositions of the sample group rather than different labour market opportunities.

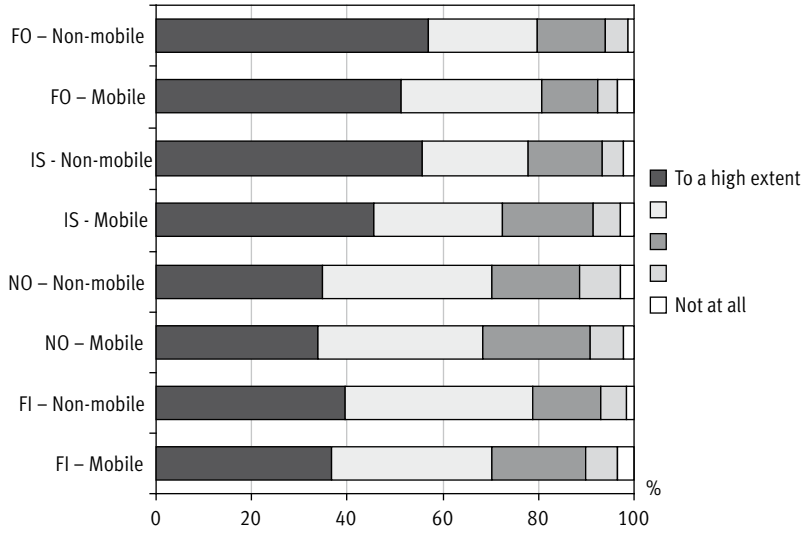
However, over-education among highly educated graduates in general is known to be rather low; although nowadays it is rising in Western countries (Dolton and Marcenaro-Gutierrez 2009). Even though the results from different studies are rather difficult to compare, since there are several ways of defining and measuring over-education, some of the figures are worth mentioning for reference. In the European countries, the share of over-education among university graduates has varied between 11 and 40 per cent in different studies. (See, e.g., Sloane 2003; Dolton and Marcenaro-Gutierrez 2009.) In earlier studies from Finland the share of over-education among university graduates has been 17 per cent right after graduation and 11 per cent some four years after graduation (Hämäläinen 2003, 59). The Norwegian figures on over-education in the NGS are high compared to previous studies (see, e.g., Dolton and Marcenaro-Gutierrez 2009), but this is partly due to the kinds of subject fields included in the sample, which make the results difficult to compare with other studies.

The negative signalling effect of unemployment might also be larger in Norway than, for example in Finland, due to the rising unemployment figures throughout the last decade in Finland. Therefore, a possible explanation could be that Norwegian graduates accept more easily a job that does not optimally correspond to their educational level and regard any job as a pathway into the labour market, while their Finnish counterparts wait longer for the optimal job, avoiding negative signalling, even if it meanwhile means unemployment.

Furthermore, the general economic situation in the countries can also be one of the explaining factors, as well as the higher share of graduates working in the private sector in Norway (see Figure 2.10). In the public sector, jobs often have formal qualifications and due to that the problem of over-education might be smaller.

Another way of measuring the mismatch between education and work is to evaluate graduates' abilities to use their skills and competences at work (Figure 2.8). Respondents appear to be able to use their skills and competence at work rather well, as only about 10 percent report negative outcomes. The Icelanders and the Faroese graduates score higher than others. The Icelandic non-mobile graduates in particular seem to be able to use their skills and competences to a great extent. The Norwegians seem to struggle more with skill mismatch; Figure 2.8 depicts this skill mismatch, which will be analysed in more detail in Chapter 4. Also, Finnish mobile degree students report more often than non-mobile students that they are working in a job where they can use their skills and competences only to a limited extent.

Figure 2.8. *Ability to use skills and competences at work (%).*

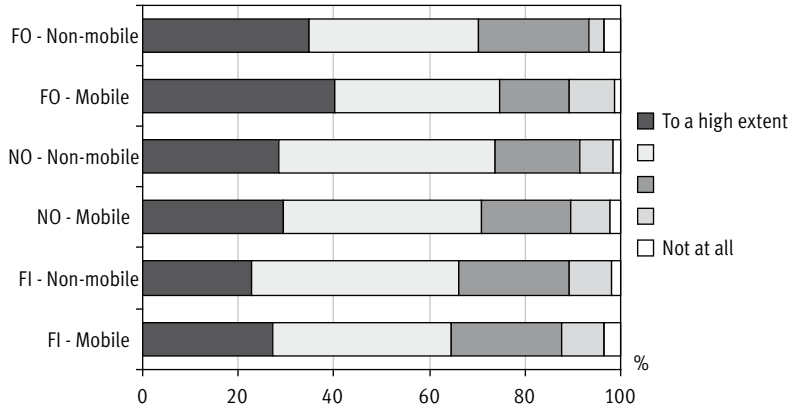


2.6.4 Job satisfaction

Graduates were also asked to assess their level of satisfaction with their current job. Figure 2.9 shows that the majority are positive about it. Mobile students are on average slightly more satisfied than non-mobile students with their job, but the general differences between the two groups are small. The Faroese seem to be more satisfied with their work than other nationalities, while Finns are somewhat less satisfied. Regarding Icelandic graduates, only mean scores are available[24] and these show hardly any difference between mobile and non-mobile graduates.

24 The average scores for satisfaction with work were 3.95 for Icelandic mobile graduates and 3.96 for non-mobile graduates.

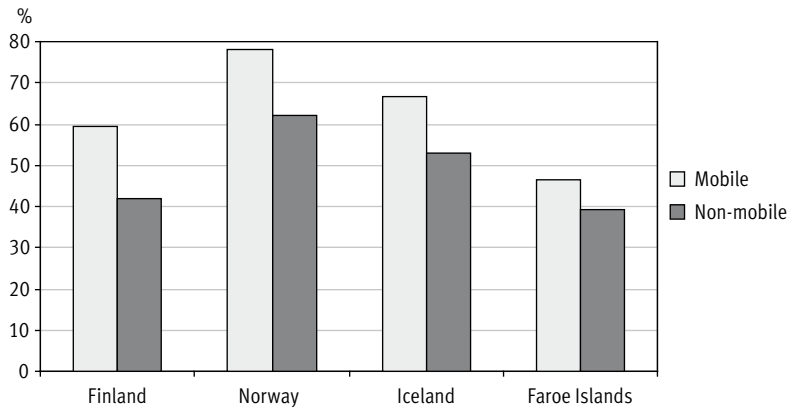
Figure 2.9. *Satisfaction with current employment (%).*



2.6.5 Public vs. private sector

Looking at Figure 2.10, we see that mobile degree students are more likely to work in the private sector compared to non-mobile students. In Norway, the share of mobile students in the private sector is as much as 80 per cent,[25] whereas it is 60 and 65 per cent in Finland and Iceland, respectively. Among the Faroese, the proportion working in the private sector is considerably lower. The greatest difference between mobile and non-mobile students is among Finns, as only about 40 per cent of the non-mobile students are working in the private sector. Since a significant part of the Finnish and

Figure 2.10. *Proportion of graduates working in the private sector.*



25 The high proportion working in the private sector is partly related to the sampling – some of the groups that traditionally work in the public sector are not included in the sample (e.g. medical doctors, nurses and teachers).

Faroese mobile students were living and working abroad at the time of the survey, we have also looked at these groups separately. Regarding Finns, we find no difference in the proportions working in the private sector between those living in Finland and those living abroad. Among Faroese mobile students living in the home country, the proportion working in the private sector is only slightly lower than among non-mobile students. As mentioned above, the differences between the countries may be partly related to the samples (the composition of types of degrees).

A pattern of more mobile than non-mobile students working in the private sector was also found in a previous Norwegian study (Wiers-Jenssen 2005). Why this pattern emerges may be due to several reasons. Employers in the public sector have more rigid appointment processes, making it more difficult for graduates with an 'untraditional' background to be selected. An alternative explanation is that international experience is more in demand in the private sector. It could also be that the private sector, which generally offers better wages, attracts the best candidates. Though hard to document, mobile students may constitute a select group regarding performance and personality features, in addition to social origin and mobility capital (where differences are clearly documented).

2.7 International jobs

Increasing the chances of having an international career is an important motivation for students to go abroad to study (cf. section 2.3). Internationalisation of the labour force is a crucial argument for governments to encourage student mobility. Pursuing an international career can take two major forms: working abroad or having an international job in the home country. Seen from the perspective of individuals, both forms may be successful ways of making use of skills gained abroad. Seen from the perspective of governments, high shares of graduates remaining abroad is not an optimal situation. The challenges of a large proportion of students remaining abroad – *brain drain* – will be further discussed in Chapter 9. In the following section, we present results concerning both forms of international career.

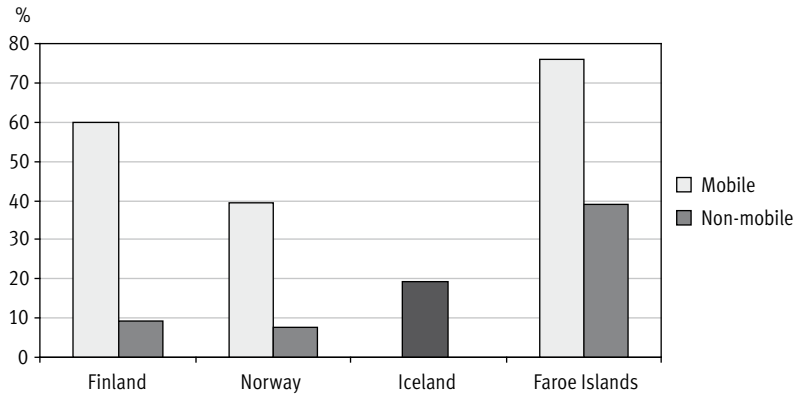
2.7.1 Interest in working abroad

The interest for gaining working experience abroad is clearly higher among mobile than non-mobile students as many of the mobile students have either applied for a job abroad or have worked abroad since graduation. The proportion of those mobile students who have applied for a job abroad is highest among Finns and Faroese.

Figure 2.11 displays the number of those who have worked abroad since graduation. The share is very high among the Faroese (76%) and among the Finns (60%). Faroese graduates diverge from other groups also in that many students with a domestic degree have worked abroad.

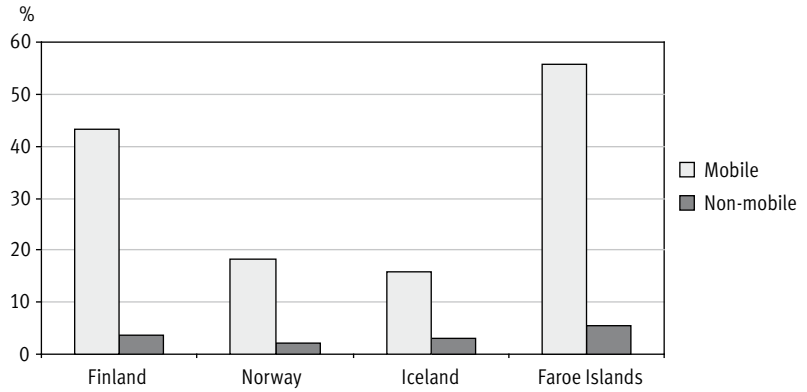
Considering the high levels of mobile degree students who have worked abroad since graduation, it may not be surprising that many were still living abroad at the time of the survey (1–5 years after graduation) (Figure 2.12). Again, the level is the highest among Faroese mobile students, with as much as 55 per cent of them were living outside the Faroe Islands at the time of the survey. Most of them live in Denmark, where they have undertaken their studies. The number of mobile students living abroad is high among Finns as well, 43 per cent. Among Norwegian and Icelandic graduates, the vast majority has returned to their respective home countries; less than one in five mobile degree students were living abroad at the time of the survey.

Figure 2.11. *Proportion of graduates who have worked abroad after graduation.*



Iceland: Shares for Iceland refer to all respondents.

Figure 2.12. *Proportion of mobile and non-mobile students living abroad at the time of the survey (2007).*

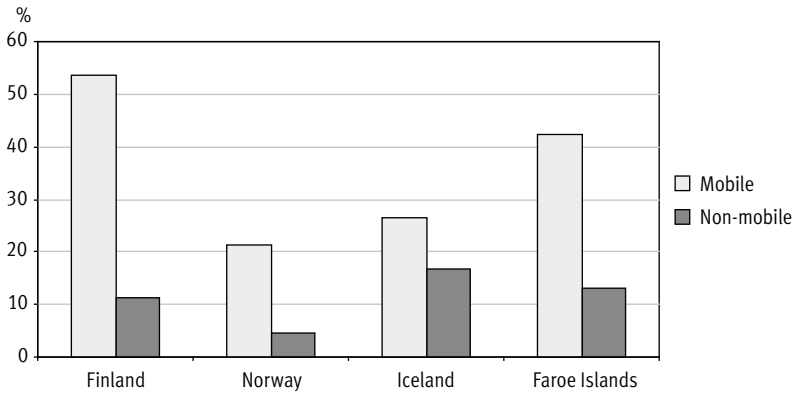


Since the time span between graduation and data collection is between one and five years, it is likely that some graduates return to their home countries at a later stage. When asking graduates to estimate where they would live in five years time (Figure 2.13), the share who stated that they would be living abroad was surprisingly high. Among Finnish mobile students, the estimates for the future were actually higher than at the time of the survey. Also, among the Faroese many plan to stay abroad, though the proportion is lower than the share living abroad at the time of the survey.

Among Norwegians, the share of those who assume they will be residing abroad in five years is about the same as the share living abroad at the time of the survey. Among Icelanders, more than one in four mobile students expresses a wish to live abroad in the future. The corresponding share among the non-mobile students is the highest of the four countries, almost 20 per cent.

Our data shows that the likelihood of working abroad is significantly higher among mobile students than non-mobile students and this applies to all countries. However, the results also show striking variations between graduates of different nationalities; the Finns and the Faroese are far more likely to stay abroad compared to Norwegians and Icelanders. We will discuss possible explanations for this in Chapter 9.

Figure 2.13. *Proportion of graduates who believe they will be living abroad in five years time.*



2.7.2 International aspects of work tasks

The mobile degree students more often have an international aspect to their work than their non-mobile counterparts. As many of the respondents, especially mobile degree students, were still living abroad at the time of the survey, the tables in this section distinguish between those working abroad and those working in the home country.

As expected, the general trend is that those who work abroad are far more likely to work for foreign employers, as seen in Figure 2.14. The figure also shows that Finnish

and Norwegian mobile students working in the home country are more likely to work for firms with head offices abroad. When looking at these results, one must bear in mind that the number of non-mobile graduates living abroad is low.

Mobile degree students employed in the home country also travel abroad for work purposes more often than non-mobile students (Table 2.7). The Faroese travel more often than Finns and Norwegians, which is most likely explained by their frequent travelling to/from Denmark. Furthermore, the mean amount of travelling days abroad per year for mobile students working in the home country is slightly larger for Faroese and Finns that for Norwegians.

Figure 2.14. *Proportion of mobile and non-mobile degree students working in a company with headquarters abroad (%) by country of residence.*

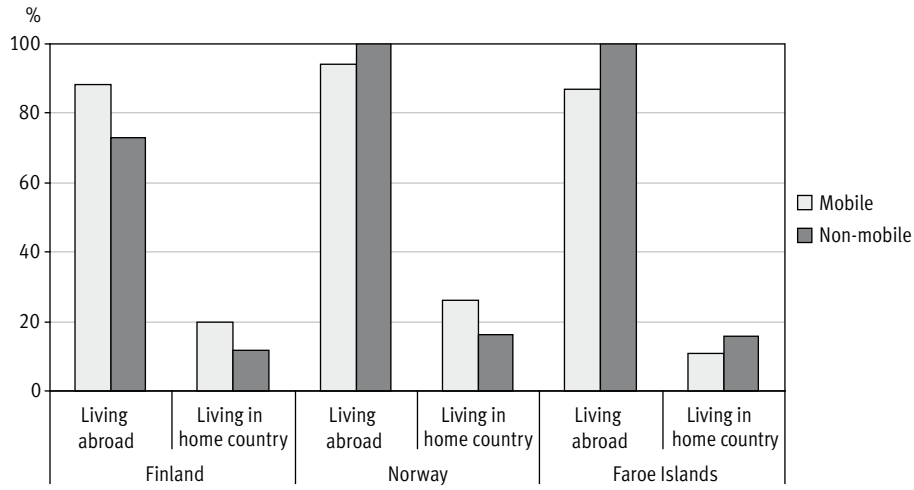


Table 2.7. *Proportion of those who travel abroad for business and the average amount of travelling days abroad per year.*[a]

	Finland		Norway		Faroe Islands	
	Mobile	**Non-mobile**	**Mobile**	**Non-mobile**	**Mobile**	**Non-mobile**
% of those who do business travelling						
Employed abroad, %	45	--	48	--	68	--
Employed in the home country, %	40	35	40	29	64	63
Number of travelling days per year among those who travel						
Employed abroad, days	26	--	45	--	44	--
Employed in the home country, days	23	16	19	14	25	23

[a](--) Due to the small number of observations, the information is not presented.

Using foreign languages at work is another indicator of having an international job. Table 2.8 presents the proportion of graduates who are using foreign languages at work on a weekly basis. It is not surprising that almost all of those graduates who are working abroad use foreign languages weekly. But also mobile degree students working in the home country use foreign languages more than non-mobile students. Finns and Faroese mobile students working in the home country use foreign languages at work somewhat more often than the Norwegian mobile students. However, the difference can most likely be explained by the fact that these countries have two official languages. Due to this, most Faroese employees use Danish in their work almost as often as their mother tongue, Faroese. The same applies for Finns who use Swedish in working situations, although Swedish is much less common in Finland than Danish is in the Faroe Islands.

Table 2.8. *Proportion of graduates applying a foreign language for work purposes on a weekly basis.*

	Finland		Norway		Faroe Islands	
	Mobile	**Non-mobile**	**Mobile**	**Non-mobile**	**Mobile**	**Non-mobile**
Employed abroad	99	100	100	90	96	100
Employed in the home country	74	68	56	46	69	67

2.8 Experiences with (domestic) employers

As mentioned in Chapter 1, graduates' success in the labour market depends not only on what they have to offer, their *human capital*, but also on how their skills are met in the labour market. How education from abroad is evaluated depends on what kind of skills are in demand in the labour market, which is partly related to employers' *attitudes*. Such attitudes are challenging to map for a number of reasons. In Chapter 8, we present results from a Danish study in which employers were asked directly about their attitudes towards mobile degree students. Here, we present graduates' experiences with employers' attitudes in the home country. This is an indirect measure, but it provides valuable information about graduates' perceptions of employers.

As we can see from Figure 2.15, the majority of graduates in all countries have the impression that most employers regard foreign education positively, particularly in the private sector. On the other hand, many Finnish and Norwegian graduates report that employers are not familiar with foreign education and foreign degrees. Faroese and Icelandic graduates have less negative experiences with employers than others, which is probably related to the fact that these countries have a long history of high student export, and that employers are used to hiring graduates with a foreign degree.

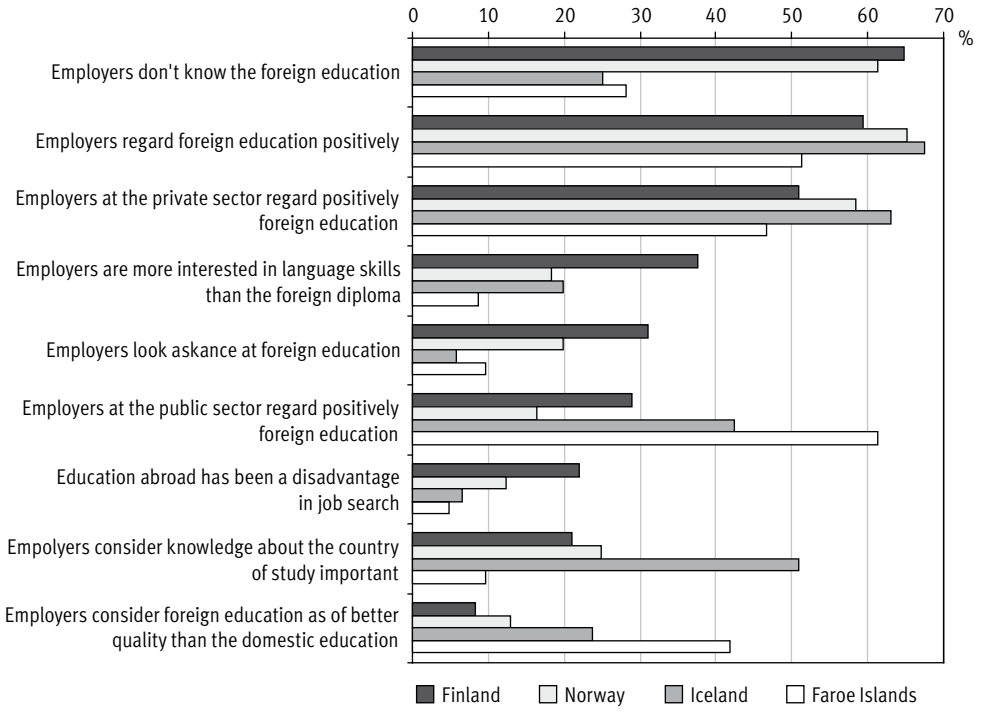
Employers in the private sector appear to regard foreign education more positively than employers in the public sector, except in the Faroe Islands. However, this result

may reflect the kind of employers that graduates' actually have experience with, and Faroese graduates more often worked in the public sector compared to other groups. Faroese graduates also diverge in that they believe that domestic employers often consider foreign education to be of a better quality.

The most negative perception of employer attitudes in the home country is found among Finns. Almost a third of the Finnish graduates report that employers look askance at their foreign education, and more Finns than other nationalities have experienced that having a foreign degree has been a disadvantage in the job searching process.

When looking at these results, it is important to be aware that what we are measuring is the graduates' *perceptions* of employers' attitudes, which do not necessarily correspond to the *actual* attitudes of employers. Employers' attitudes are addressed more in detail in Chapter 8, where a survey among Danish employers is presented.

Figure 2.15. *Graduates' perceptions of employers' attitudes towards higher education attained abroad. Proportion of mobile students who agree with the statements (4 and 5 on a 1 to 5 scale).*



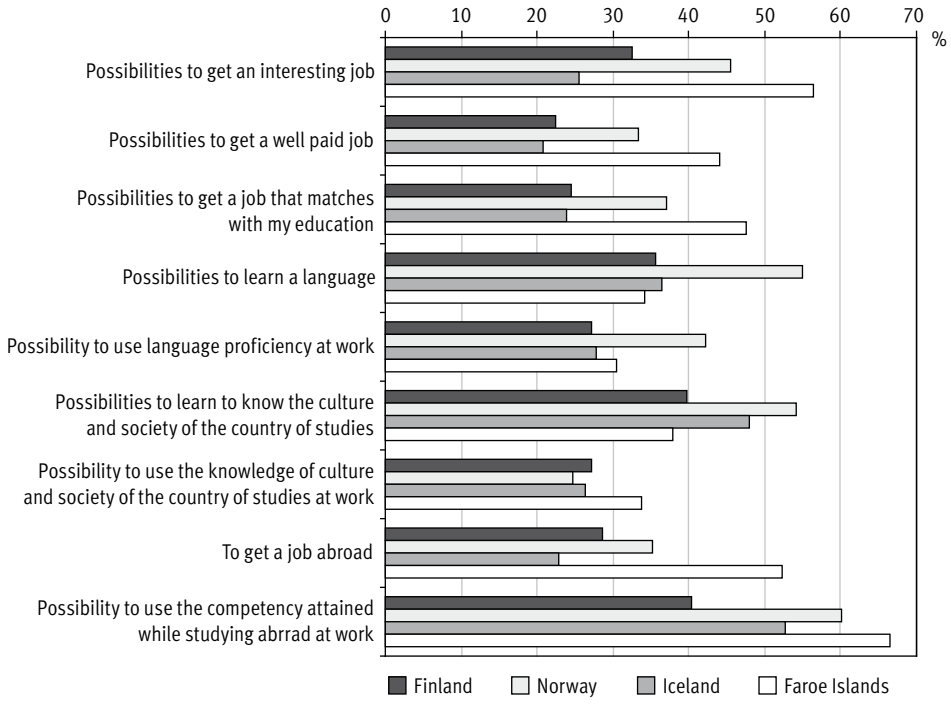
Finland: Scale 1–7, figures for Finland have been recalculated.

2.9 Outcome versus expectations

In this chapter we have seen that mobile degree students face certain challenges regarding entering the labour market, which may be interpreted as a negative consequence of holding a degree from abroad. On the other hand, we have also seen that mobile students have more international jobs than non-mobile students. This can be seen as a positive outcome in accordance with their motivation for studying abroad. These results are in line with former research indicating that mobile students are more successful in terms of horizontal rather than vertical career outcomes (Bracht et al. 2006; Wiers-Jenssen 2008a). The extent to which graduates perceive themselves as successful regarding labour market outcomes is also related to their expectations. In the NGS questionnaire, those who had studied abroad were asked to assess how the outcomes from having studied abroad compared to the expectations they had as students.

The results are shown in Figures 2.16 and 2.17[26]. By comparing the figures, it is strikingly clear that more graduates report positive experiences than negative experiences. But we also see that the level of satisfaction varies by the type of outcome measured

Figure 2.16. *Proportion of mobile degree students regarding outcomes of studying abroad more positively than expected (4 and 5 on a 1–5 scale).*

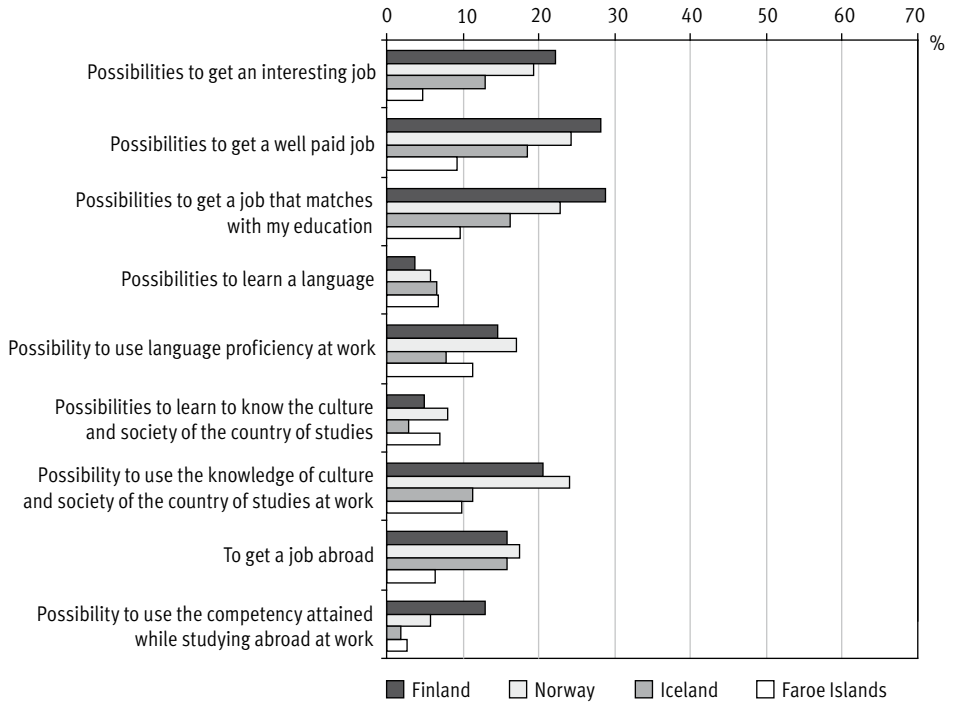


26 The category of 'as expected' is excluded from the Figures 2.16 and 2.17.

as well as nationality. More than half of mobile degree students from Norway, Iceland and the Faroe Islands report that the opportunities to apply the competencies attained while studying abroad are higher than expected. Among Finns, the share is somewhat lower, 40 per cent. Regarding language skills and cultural skills, many students report that they have *learned* more than they expected. However, they are less positive in their assessment of the possibilities for using these kinds of skills in a job situation.

The overall impression is that mobile degree students are generally satisfied with the outcomes from having studied abroad. Regarding most types of outcomes, the majority of graduates state that their expectations have been met or exceeded. Norwegians and Faroese more often report that their expectations have been fulfilled or exceeded compared to the Finns and Icelanders. Those most disappointed with the outcome are the Finns. Almost a third of Finnish graduates state that the outcome is lower than expected regarding finding a job that matches their education and finding a well paid job, although the share is substantial in Norway too. Also, among Icelanders we find a substantial number reporting lower outcomes than expected.

Figure 2.17. *Proportion of mobile degree students regarding outcomes of studying abroad more negatively than expected (1 and 2 on a 1–5 scale).*



2.10 Summarising the comparative analyses

In this chapter, we have presented a selection of results that are comparable across the NGS countries. Some interesting patterns have emerged. Some of these will be discussed more in detail in Chapter 9; here we will only briefly sum up the results.

Regarding family background, we found that the social origin of mobile students is higher than it is for non-mobile students, and that mobile students have a higher mobility capital, i.e. parents who have been living abroad or previous experience with living abroad themselves. This applied to graduates from all countries.

Regarding motives for studying abroad, students from each of the countries strongly emphasized 'pull' factors like interest in experiencing a foreign environment /culture and international career prospects. But 'push' factors was also present: many students from the Faroe Islands and Iceland stated that the studies they have undertaken abroad are not provided in the home country. Finns more often than others report that they were not admitted to the study field of preference in their home country. Students from nations with the most generous support systems (Norway and the Faroe Islands) emphasized more strongly than others the good possibilities for study finance. Public support is the most important source of finance among all nationalities, but the share of expenses covered by public support varies. The Norwegians report the highest coverage (76%), while the Finns report the lowest (52%).

A majority of the graduates state that it is likely they would make the same educational choices again, which we interpret as an indication of high satisfaction. They are generally more likely to choose the same subject field and country again (8 of 10), than choose the same university again (7 of 10). We find hardly any differences between nationalities regarding these issues. We also find that the outcomes from having studied abroad are high compared to prior expectations. Far more graduates report that the outcomes exceeded their expectations than the other way around.

The employment rates of graduates generally vary more by country than by whether they have been mobile or not, and is highest in Norway and lowest in Finland. Skill mismatch also varies between countries, but we also find that mobile students from Finland and Norway are more likely to experience this than their non-mobile peers.

The likelihood of working abroad after graduation is substantially higher among mobile students than non-mobile students and this applies to graduates from all countries. The results show striking variations between graduates of different nationalities; the Finns and the Faroese are far more likely to stay abroad compared to Norwegians and Icelanders. Mobile students working in the home country are more likely to hold international jobs than domestically educated students. The Finns and the Faroese mobile students use foreign languages for business purposes more often than others which may be related to the fact that these countries have two official languages.

The majority of graduates in all countries have experienced that employers are positive towards foreign education. According to the graduates' experiences, Icelandic and the Faroese employers have more positive attitudes towards higher education undertaken abroad than Finnish employers in particular.

We will come back to some of the results in the final discussion in Chapter 9. In the following chapters, we present data and special topics from each of the countries participating in the NGS 2007. The country chapters will go more into detail regarding analyses and certain country-specific issues. In addition, there are two chapters presenting data from Denmark which provide valuable information about Danish mobility as well as exchange mobility. In the last chapter, we will discuss some of the main findings and future challenges.

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3 FINLAND: TRANSITION FROM HIGHER EDUCATION TO WORK AMONG FINNS WHO GRADUATED ABROAD

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The aim of this chapter[27] is to describe the transition from higher education to working life for those Finns who have completed their higher education abroad (mobile students). Is the transition process smooth or difficult? How do mobile students find their first job after graduation and is it in Finland or abroad? How often do they face unemployment? Is there a skill mismatch in the job market for the highly educated? Are Finns who have studied abroad staying abroad for good or are they planning on returning to Finland? These are the questions which will be answered in this chapter. The results will be compared to those who received their higher education diploma from Finland (non-mobile students) whenever it is feasible.

3.1 Introduction

Finland has a rather long tradition of student mobility. However, the rationales for students to study abroad are nowadays quite different than earlier. Before, Finns went abroad to study simply because the supply of educational fields was limited in Finland. Nowadays, internationalisation and opportunity to gain valuable experience while studying abroad have become more important. The promotion of student mobility has been seen as an important feature in the internationalisation of higher education. However, the public discussion has been concentrated mainly on encouraging Finnish students to go abroad as exchange students and on attracting foreign students to take full degrees in Finland. Hence, the numbers of Finnish degree students abroad has received less emphasis. At the same time, there are worries about the brain drain of a skilled labour force from Finland abroad, not least because of the threat of a labour shortage which Finland will be facing in the future. Therefore, it is essential to investigate those Finns who have done their higher education abroad, and especially their labour market adaptation and return rates.

From a micro perspective, experiences gained from studying abroad are incomparable. Studying abroad deepens an individual's knowledge and understanding of international issues and other cultures as well as improves cross-cultural communication skills and analytical skills. All these are assumed to be valuable features when trying to find a competitive edge in the labour market. When considering returning back to the home country after graduating from abroad, the ease of integrating into labour market is one of the key elements.

27 The chapter is based on the Finnish Nordic Graduate Survey 2007 results (Saarikallio et al. 2008).

For young people, labour market integration has become more difficult during the last two decades (e.g. van der Velden and Wolbers 2003; Allen and van der Velden 2007, 55). Indicators of the difficulties in the integration process can include, for example, longer periods of unemployment, job shifts as well as job mismatches. On the whole, pathways from education to work have become more diversified and oftentimes the borderline between education, vocational training and employment has become less clear. (Allen and van der Velden 2007.)

As van der Velden and Wolbers (2003) point out, the general economic conditions in different countries are always a major underlying factor for variations in the integration of young people into the working life in different countries. In addition, according to the *insider-outsider theory* (Lindbeck and Snower 2001), unemployed people as well as graduates who are just entering the labour market can be seen as outsiders, whereas those who are already employed are considered to be insiders. As fresh graduates are labour market entrants, they must compete with those who have already gained their position in the labour market. The probability of staying on the secondary labour market permanently depends on such things as education, social capital and gender. Whereas recent graduates entering the labour market can be seen as outsiders, graduates with a foreign degree can even be seen as double-outsiders, especially when trying to enter the domestic labour market.

The data used in this chapter is based on the Finnish Nordic Graduate Survey, NGS, conducted in 2007 and includes information about 858 mobile students and 1502 non-mobile students. The survey was carried out as an online survey, although the respondents were first approached via an information letter sent by mail. The survey population was drawn from the Social Insurance Institution's student support register (for mobile degree students) and Statistics Finland's student register (for non-mobile students). Since the data regarding mobile students represents the total population of mobile degree students abroad receiving student support (2002–2006) and, furthermore, since the data for non-mobile students was adjusted to represent the population of the student register (age, gender and year of graduation were used in order to create the weights), it can be assumed that the research data is a representative sample of the population. In addition to the quantitative survey data, qualitative data was created based on the respondent's open answers[28].

3.2 Entering the labour market – is it stress-free or a struggle?

According to Schomburg and Teichler (2006, 53), the length of the search for the first job after graduation is often seen as a key indicator of the labour market conditions for recent graduates. A transition process can be considered smooth if the search period begins at an early stage, does not take long and does not demand strenuous efforts

28 Respondents were asked, for example, about their experiences with the student support system when studying abroad as well as their opinions about studying and their experiences with the labour market and with trying to find a job.

(Schomburg and Teichler 2006, 61). A longer search period can be a sign of certain difficulties in obtaining a job relative to graduates' expectations or even the employability of the job seekers. At the same time, a certain amount of time is needed between the time of graduation and the first employment contract. Also, those who accept a job offer soon after graduation might, in fact, accept a job too easily, one which is not in the long run the most auspicious for them. (Schomburg and Teichler 2006, 53.)

A vast majority (84%) of the mobile students in the Finnish NGS 2007 have applied for and received a job after graduation. Only three per cent had applied for a job but had not been successful in getting one. Usually graduates found their first job by responding to a job advertisement. Those who have studied abroad have more often found their first job through friends than those with a Finnish degree. Furthermore, non-mobile students have more often been contacted directly by an employer or found their first job through a contact from the job during studies. Thus, it seems that networks and previous contacts really matter when trying to find your place in the labour market. In this sense, mobile students are in a weaker position than non-mobile students, especially when trying to find employment in the home country.

The transition from education to the labour market seems to be somewhat smoother for domestic graduates than for those who have completed their higher education abroad, at least when measured by the time gap between graduation and employment. Since the average duration between graduation and the first period of employment was slightly longer for non-mobile students than for mobile students (see section 2.6.1), the time gap warrants a closer examination. More than half of non-mobile students report no waiting time at all between graduation and employment (57%). The corresponding share for mobile students is notably smaller, 32 per cent. Over a third of them have had a waiting period of one to three months, while the share was only 24 per cent for non-mobile students. Almost 17 per cent of mobile students have had to wait 4–6 months after graduation until they were employed (9% for non-mobile students). Also, longer delays, from 7 to 24 months, are slightly more common for graduates with a foreign degree.

In light of what the waiting periods suggest, it seems as if the transition from education to work is more of a struggle for those who have graduated from abroad than for those who have studied in the Finland. One reason for delayed entry for mobile graduates could simply be that, even if one is planning on returning to the home country right after graduation, it takes time to move from one country into another and find a job there. Furthermore, half of the students studying in Finland work part-time during their studies (Häkkinen 2004, 93) and it can be assumed that work experience prior to graduation has a positive impact on the probability of finding employment. Those who are studying abroad might not have the possibility to work during their studies and gain working experience, even if they might want to, due to such reasons as study visas or student financial aid regulations. In addition, there might be other reasons behind the longer time span when entering the labour market for those who have studied abroad. The reported amount of job applications indicates

that graduates with a foreign degree have to put more effort into getting their first job after graduation. Those who have studied abroad have on average sent as many as 19 job applications (median: 10), whereas their domestic counterparts have sent 15 applications (median: 5). Almost five per cent of mobile students report that they have sent over a hundred job applications.

All in all, even though most mobile students have found a place within the labour market, the process seems to be a little more time-consuming for them than for non-mobile students, as described above. Next, we move on to examining the transition to the labour market via labour market activities during the early career and experiences with periods of unemployment.

3.3 Career paths

Half of all mobile students were employed already upon graduation, whereas 65 per cent of non-mobile students were employed at the time of graduation. Sixteen per cent of mobile students and 13 per cent of non-mobile students have experienced unemployment right after graduation. It is possible that the share can even be somewhat higher since there are a significant number of those who report their first labour market status as 'other'. The share of those reporting their labour market status as 'other' is particularly high among the group of mobile students, 29 per cent. This may indicate that the delay in entering the labour market might be due to very different factors, such as different practices in different countries, or it can simply be because of the time needed when moving to another country. In addition, it is possible that the fairly high share of those engaging in 'other' activities is partly due to hidden unemployment, meaning that there might be people who do not actively look for work but are willing to take a job if they found one. Those who had studied humanities and art in other countries experienced unemployment most often (21%). Also, a fifth of those who have studied engineering report their initial labour market status after graduation as unemployed.

Figures 3.1 and 3.2 show the labour market statuses for mobile and non-mobile students during a four-year period. A rather steady trend can be noticed. Six months after graduation 73 per cent of mobile students were employed and two years after graduation the share of employed mobile students had already reached the corresponding share for the domestic group (82% vs. 84%). Three and a half years after graduation, the share of employed graduates was somewhat greater among those who had studied abroad compared to those who had studied in the home country.

One third of mobile students and one fifth of non-mobile students experienced unemployment during the period investigated. Unemployment in both groups was most typical right after graduation but decreased rather quickly after that. Twelve months after graduation, about eight per cent of mobile students were still listed as unemployed graduates, which is more than for non-mobile students. When reaching the point of

Figure 3.1. *Labour market activities of mobile degree students during the first 50 months after graduation.*

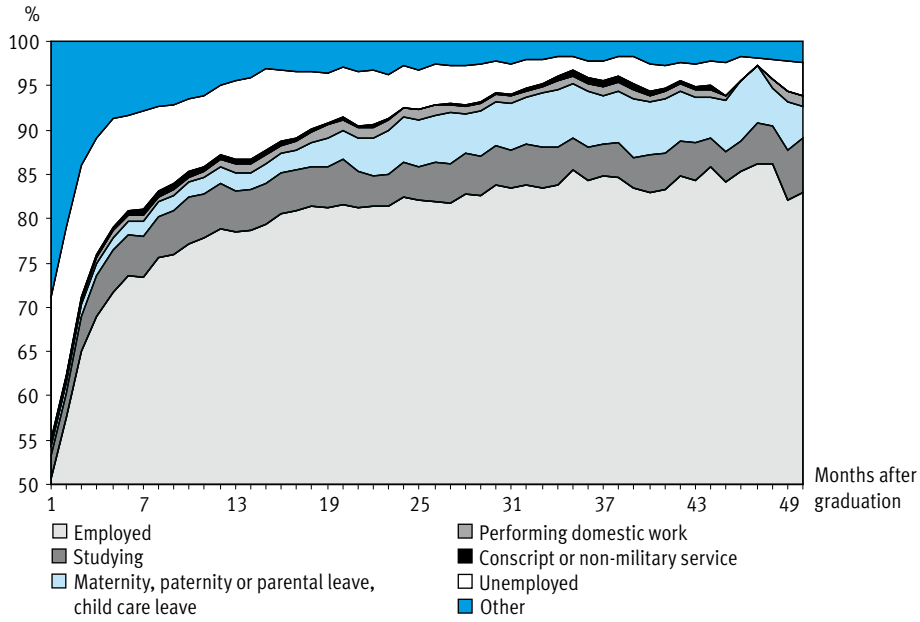
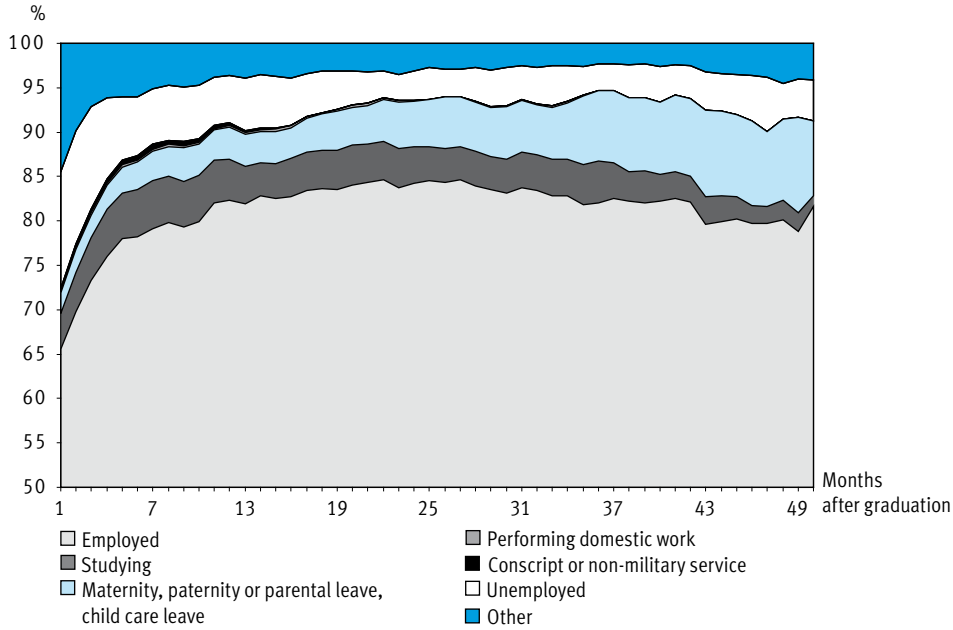


Figure 3.2. *Labour market activities of non-mobile degree students during the first 50 months after graduation.*



two and a half years after graduation, unemployment is already more uncommon among mobile students.[29] Putting things together, it seems that integration into the labour market might be slightly more time-consuming for those who have studied abroad, but once they are being employed the employment can be even more stabile.

Another way of measuring whether the integration process from education to work is smooth is to examine the shifts during graduates' early careers. In this study, we measure job stability by comparing the labour market status one month after graduation (*t*) and at the time of the survey (*t+1*) to other labour market statuses[30]. As presented in Table 3.1, employment is rather stable since most of the mobile students as well as the non-mobile students have remained employed throughout the research period (85% and 88%, respectively). In addition, as much as 75 per cent of mobile students have shifted to employment from other labour market activities since graduation. However, 26 per cent of those mobile students who had not been able to find employment right after graduation were still not employed by the time the survey was conducted. The corresponding share for non-mobile students was even higher.

Stability of employment can also be measured by combining all labour market statuses which apply to a person throughout the research period. Also, from this perspective the first two years after graduation seem to be more stable for those who graduated from a university in Finland compared to those who graduated abroad. About 40 per cent of non-mobile students report only one labour market activity since the time of graduation, whereas the share for mobile students is only about 28 per cent.

Table 3.1. *Labour market activities for mobile and non-mobile students one month after graduation (t) and at the time of the survey (t+1), %.*[31]

	Employed *(t+1)*	**Other *(t+1)***	**Total**
Mobile students			
Employed *(t)*	85	15	100
Other *(t)*	74	26	100
Non-mobile students			
Employed *(t)*	88	12	100
Other *(t)*	69	31	100

29 According to Korhonen and Sainio (2006, 262), the unemployment rate for highly educated graduates was 4.2 per cent in Finland in 2006. The general unemployment rate in Finland has declined throughout the 21st century and was 7.7 per cent in 2006 and 6.4 per cent in 2008 (Statistics Finland 2009).

30 Here 'other' labour market statuses include: students, maternity- and paternal leave/child home care, domestic work, military, unemployed and others.

31 Modified version of Hämäläinen (2002, 59).

Different combinations of unemployment and employment periods are presented in Table 3.2, where we can observe that most of the mobile students have experienced only periods of employment and other labour market activities (68%) during their early career. Mobile students have more often experienced only periods of employment after graduation compared to non-mobile students (33% vs. 49%). More than a fifth of mobile students have experienced one period of unemployment during the time between graduation and the time of the survey, whereas the corresponding share for non-mobile students was 15 per cent. In addition, mobile students have experienced several periods of employment more often than non-mobile students. However, only three per cent of mobile students and two per cent of non-mobile students have experienced several periods of unemployment during their early career.

What do the career shifts tell us then? First of all, the results confirm the picture of a transition process for graduates with a foreign degree described earlier in the article – it seems that even though most of the graduates with a foreign degree were employed at the time of graduation, and even though they reached the position of their domestic counterparts in employment about two years after graduation, they still seem to have more of a fragmented early career. They more often experience spells of unemployment, have several periods of employment and stay out of employment more often than those who have a Finnish degree. However, one must bear in mind that even though mobile students have experienced unemployment spells more often than non-mobile students, the duration of the spells is rather short. The median period of time for spells of unemployment experienced at some point during the early career years is three months, whereas it is two months for non-mobile students. If the unemployment period is experienced right after the graduation, the median is five months for mobile students and four months for non-mobile students.

Table 3.2. *Different combinations of labour market activities for mobile and non-mobile students during the research period.*

	Mobile students, %	Non-mobile students, %
No unemployment periods (only periods of employment and other labour market activities)	68	77
0 periods of employment	6	6
1 period of unemployment	22	15
Several periods of employment (≥ 3)	22	15
Several periods of unemployment (≥ 3)	3	2
Periods of employment only	33	49

3.4 Temporary contracts – threat or possibility?

A permanent job contract is usually considered to be an indication of the quality of employment. However, temporary contracts are in fact rather frequent during the first few years after graduation and they are not always a sign of precarious career development. (Garcia-Montalvo et al. 2007, 109.) Overall, temporary work contracts are a rather common phenomenon in Finland. The amount of temporary employees increased during the economic depression in the 1990s, and has remained at a fairly high level since then. In January 2009, the share of temporary employees was 12.6 per cent of the total number of employees (Statistics Finland 2009). Even though temporary contracts have become more common all over Europe, only in Spain and Portugal are they more common than in Finland (Auer and Cazes 2003, 45; Kauhanen 2005, 204).

When looking at early career, the importance of temporary contracts becomes evident in terms of career development possibilities. On the one hand, temporary work contracts can be seen as a pathway or a stepping stone to receiving a permanent contract. (Kauhanen 2002, 12.) On the other hand, temporary work contracts might have far-reaching (negative) effects on one's career as well as unemployment, especially when experienced early in the career. According to Böckerman et al. (2002, 47), temporary employment means greater risk of an unstable career, of experiences with spells of unemployment and the possibly of an inadequate income. An essential part when thinking about the influence of working temporarily is the question of whether it is going to remain a temporary phase of the career and whether the recent graduate will one be able to move towards more permanent jobs in the future (Kauhanen 2005, 206).

According to the results of the survey, temporary employment seems to be rather common for graduates working in Finland (Table 3.3). Alltogether 67 per cent of graduates who have studied abroad have permanent work contracts, whereas the corresponding share for those who have studied in Finland is only 59 per cent. In addition, temporary employment is as common for mobile students working in Finland as it is for non-mobile students (41%). Among those who have completed their higher education abroad and were still living abroad at the time of the survey, temporary employment is clearly less common. One fourth of them define themselves as being employed on a temporary basis.

Table 3.3. *Type of employment for mobile and non-mobile students and the average duration of temporary contracts.*

	Mobile students, all	Mobile students, living in Finland	Non-mobile students
Permanent, %	67	59	59
Temporary, %	33	41	41
Total, %	100	100	100
Length of temporary contract on average, months	15.3	14.0	16.2

The duration of temporary contracts is somewhat longer for mobile students, 15.3 months on average, than it is for those mobile students who were still living outside Finland at the time of the survey. Interestingly enough, the average length of temporary contracts for domestic graduates is longer, 16.2 months. This might indicate that in Finland temporary employment is almost considered a custom or rite of passage and is seen as a pathway to the labour market and to more permanent employment as well.

However, working on a temporary basis is not always voluntary. Previous studies from Finland show that people usually work temporarily because they have not found a more permanent job (e.g. Kauhanen 2005). According to Korhonen and Sainio (2006, 262–263), only two per cent of university graduates work under temporary contracts of their own free will. The results of the Finnish NGS 2007 show that almost a fourth of mobile students are employed temporarily because the nature of the job is a project or piecework. Almost one in five reports that the reason for why they are working temporarily is that they have not found a more permanent job, which indicates an unwillingness to work temporarily. The corresponding share among non-mobile students is 28 per cent. Nevertheless, almost 15 per cent of mobile students report that they distinctively wanted a temporary contract. The corresponding share among non-mobile students is clearly less, only five per cent say that they themselves wanted temporary employment.

3.5 Over-education in the labour market among highly educated graduates?

When examining the match between an employee's education and the job he/she holds, the concept of over-education becomes relevant. A person can be defined as over-educated when his/her level of education is higher than the skills actually required for the job he/she has received. As a measure of skill mismatch we use a subjective indicator: the survey question, '*In your opinion, how well does your current job correspond to your level of education?*' Working in a job that does not match with one's education early in a person's the career might increase the probability of that person also being over-educated later in her/his career (Hämäläinen 2003, 57). At the same time, according to *career mobility theory*, the acceptance of a mismatch between education and work in early career might in fact be a rational and conscious choice by the person in order to wait for a promotion (e.g. Hämäläinen 2003, 14).

A vast majority of mobile and non-mobile students (72% vs. 81%, respectively) state that their education and work match rather well (no under- nor over-education). However, as much as 28 per cent of mobile students state that there is a mismatch between the skills they possess and the skills required at work (over-/under-education), which is clearly more than the corresponding share among non-mobile students (19%). Furthermore, 26 per cent of those mobile students who were working abroad at the time of the survey report a mismatch. In general, under-education is rare and, accordingly, only about two per cent of the graduates in both groups are defined as under-educated. Hence, they are working in a job which requires an education higher than they possess.

Among non-mobile students, the share of over-educated graduates is 17 per cent, whereas a fourth of mobile students consider themselves to be over-educated. Among those mobile graduates working in Finland, the share of over-educated graduates is almost as much, 23 per cent. Furthermore, over-education seems to be more common for women than men.

What are the most common motives for working in a job that does not match with your education? About a half of respondents note that they simply have not found a matching job. However, 13 per cent of mobile students state that they are not, in point of fact, interested in the type of job that matches with their education (9% for non-mobile students). There were also a significant number of respondents who report that the motive for working in a job not matching their education was something other than the alternatives available in the question. Reasons such as those listed below were given:

> 'I'm in my early career'
>
> 'There are no work possibilities in my field in Finland'
>
> 'Primarily, I seek job experience and a field of my own. I'm not in a hurry to make a career'
>
> 'Permanent contract, other benefits'
>
> 'Experience from the current job important in order to work better in a job relevant to my education in the future.'

3.6 Expectations versus reality

Human capital attained via education is usually expected to improve one's possibilities in the labour market. However, expectations do not always match up with reality. According to the results of the Finnish NGS 2007, mobile students seem to be somewhat disappointed with their experiences in the labour market. Many feel that the higher degree undertaken abroad does not have the kind of value in the labour market that they had expected beforehand:

> '– – I had thought that Finnish employers would value an English diploma from a reputable foreign university, other foreign language skills and international experiences. – – In hindsight, I am very satisfied that I studied abroad, but it was tough to go from a top university to being unemployed in Finland, where employers were interested above all in previous work experience when applying for expert positions.' (Male 27 yrs, foreign degree, lives in Finland)

Even though employers in Finland regard foreign education as positive, respondents state that employers still value and trust domestic degrees more than foreign degrees.

As much as 64 per cent of the respondents feel that employers in Finland are not familiar with their foreign education. This most likely has an influence on the issue of why almost a third of those who have graduated abroad and are living in Finland have experienced that employers in Finland look askance at their foreign education. Altogether, a fifth of those who graduated abroad and are currently living in Finland report that they have had at least some difficulties with their foreign education in the Finnish labour market. Furthermore, employers in the private sector seem to have a positive attitude towards foreign education more often than employers in the public sector.

Some of the respondents who graduated abroad even feel that their foreign education might, in fact, be an obstacle to employment and career development:

> ' – – foreign education has been more of a disadvantage to finding a job in Finland than I would have thought – – In addition, a foreign degree is a benefit if you intend to get work in the country you've studied in, but when trying to find a job in Finland it feels like more of a hindrance from time to time.' (Female 28 y, foreign degree, living in Finland)

> 'I haven't experienced my foreign master's degree to be an advantage in the job seeking process in Finland in any way. In fact, it often feels like an employer's regard foreign degrees as 'a fine thing' but they would rather hire an applicant with a Finnish degree. Internationality is valued often in theory in Finland but, for example in recruiting people, it can even be a hindrance, especially if the employer himself has never lived abroad.' (Male 34 y, foreign degree, lives in Finland)

Recognising the difficulties that mobile students face when trying to set foot in the labour market, especially in their home country, the relevant question is whether they actually come back to Finland or whether they stay abroad on a more permanent basis?

3.7 Hopes for the future –are they coming back to Finland?

Internationalisation, globalisation and the Europeanization of higher education have been discussed often during the past few years in Finland. People are encouraged to study abroad and foreign studies have been seen as an asset to a country's competitiveness. However, the issue of *brain drain* has been discussed less, especially when it is about people who graduate from abroad and whether or not they will return to their country of origin. According to the results of our survey, most of the respondents who graduated abroad report that it is important in their work to have the possibility for an international career (60%). Thus, is it possible that those who graduated abroad become a less productive investment for the country of origin since they are more likely to stay abroad after they graduate?

Previous research shows that many employers are still reluctant to employ graduates from other countries (Schomburg and Teichler 2006, 19). Furthermore, those graduates who have been mobile during the course of their studies are more likely to be mobile during their career as well. Also, Garam (2003) found in her study that such things as job opportunities, personal relationships and a sense of feeling at home are relevant factors when choosing the future country of residence.

Even though almost half of Finnish mobile students report that their first job after graduation was in Finland, a significant number of those graduates also found their first employment in some other country. Almost one out of every five mobile students found their first job after graduation in Great Britain and about 10 per cent found employment in Sweden. When looking at the countries of study and countries of current residence, we notice that more than half of those who have their higher degree from some Nordic country other than Finland have returned to their home country. The share is almost the same for those who have studied in North America. The most probable returnees are those who have studied in Central Europe and other countries around the world (other than those listed above), since almost 60 per cent of them had returned to Finland by the time of the survey.

Who are most likely to stay abroad then? It seems that those graduates with a degree from one of the other Nordic countries are most likely to stay where they have studied, nearly 40 per cent. Almost as many mobile students who have studied in other parts of Europe (other than the Nordic countries) and North America have also stayed in their countries of study more permanently (37% and 36%, respectively). The students who are the most mobile appear to be those who have graduated from other parts of the world than the countries listed above, since as many as 11 per cent have moved away from the country where they have studied (excl. Finland).

More than 40 per cent of graduates with a foreign degree were still living abroad at the time of the survey. Most of them are women (79%) and they usually have a foreign spouse. The respondents were also asked about their hopes for the future; where they expect to be living in five years time. Without a doubt, those mobile students who were still living abroad at the time of the survey have integrated well into their current country of residence, since almost 80 per cent believe that they will still be living abroad after five years. Furthermore, a third of those mobile students who were living in Finland at the time of the survey believe that in the future they will be living abroad.

Where one expects to be living in the future is not always necessarily the same as where one wants to live. As mentioned earlier, many factors influence the decision when choosing the country of residence. Sometimes there are certain factors that actually prevent a person from returning to Finland:

> 'I would like to return to Finland, but unfortunately I feel that I will remain here in England because it is so difficult to get work in Finland; it is difficult with a Finnish diploma not to mention a foreign one.' (Female 28 yrs, foreign degree, lives abroad)

> 'I would like to return to Finland, but I do not have an idea about how to fulfil that wish in practice. My suspicion is that in Finland I would experience a long period of unemployment – – Returning home to Finland is really difficult if not impossible; my work contacts and social support network (unemployment fund, social security, etc.) are in the country in which I studied and the threshold for getting work in Finland is much higher.' (Female 28 yrs, foreign degree, lives abroad)

Also, even lack of information can sometimes cause a family to stay abroad:

> 'As a family we would hope to move to Finland, at least for a trial period. The problem is always that after living for a long time here in a foreign country it is difficult to get information about how to get a job in Finland. It is a pity as such because both me and my husband have several university level degrees, but do not know how to make use of them when applying for work in Finland. It would be a great thing if Finland would have some kind of department in the employment office for Finns living abroad, which could help those moving back with as well as with applying for a relevant job.' (Female 34 yrs, foreign degree, lives abroad)

3.8 Discussion

Since the late 1980s, the internationalisation of higher education has been one of the central goals of educational policy in Finland. Student mobility is often seen to be a key element in the internationalisation process. Hence, the Ministry of Education has set quantitative targets for student mobility since the beginning of the internationalisation discussion (An international strategy … 2001). Furthermore, the Strategy for the Internationalisation of Higher Education Institutions (2009) in Finland 2009–2015 has been developed as a result of the current government's programme. The strategy emphasizes that student mobility needs to be increased further in the future. One of the aims is also to develop further the practises which support graduates' integration into working life. However, whereas the strategy paper for the years 2009–2015, as well as earlier papers, presupposes that mobile students will return to Finland after the exchange period or after they have graduated, the interesting question arises: do they really come back? The results of the Finnish NGS 2007 makes one wonder if the internationalisation of higher education really is a productive investment, either for the individual or society as a whole.

The expectations that mobile students had when going abroad to study do not correspond to the reality of the Finnish labour market. According to the Finnish NGS 2007 results, mobile degree students seem to be well attached to the labour market after a couple of years since graduation – even slightly better than non-mobile students. However, the early career years have not been without troubles for either mobile or non-mobile students. For mobile students in particular, finding employment seems to be time consuming. A lack of networks and contacts also affects mobile students' possibilities of finding a job in Finland. Those who have studied abroad report that

they have encountered prejudice against their foreign education from employers. This may be, however, due to the fact that Finnish employers are not that used to job applicants with higher education from abroad.

Mobile degree students more often have permanent job contracts than Finnish graduates. A temporary work contract seems to be a rather Finnish phenomenon. They are not always considered to be negative but more of a stepping stone to a more permanent job in the future, especially among those who have studied abroad.

The factors listed above, together with the observation that mobile degree students face spells of unemployment more often than their domestic counterparts during their early career, confirms that the transition process from education to work is more challenging for mobile students than for non-mobile students.

Over a half of mobile students had their first job after graduation somewhere else than in Finland. Furthermore, 43 per cent of those who had studied abroad were still living abroad at the time of the survey. According to the Finnish NGS 2007 results, many of them state that they would like to move back to Finland in the future, but feel uncertain about entering the labour market and finding the necessary information. Based on the results of this study, we cannot say for certain if mobile degree students will stay abroad in the long run since they are at an early stage in their career and the study covers only a maximum period of five years after graduation. Therefore, it might be that mobile students tend to stay abroad for a certain amount of time after graduation, but still have plans to move back to Finland after a few years.

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4 NORWAY: MOBILE DEGREE STUDENTS VS. EXCHANGE STUDENTS – WHAT ARE THE DIFFERENCES?

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This chapter is based on the Norwegian part of the Nordic Graduate survey 2007. It investigates differences between two types of mobile students: those who have graduated abroad, *mobile degree students,* and those who have had a sojourn abroad as a part of their Norwegian degree, *exchange students*. When applicable, these two groups of mobile students are compared to non-mobile students. Different aspects of labour market outcomes are investigated; the transition from higher education to work, overeducation, wages, and to what extent those who have studied abroad obtain work with international aspects. The first part of the chapter also provides information on the context and policy for student mobility from Norway.

4.1 Context and policy

Norway has a long tradition of student export. The first Norwegian university (The University of Oslo) was established as late as 1811; until then Norwegians had to travel abroad to obtain higher education (HE). The enrolment capacity of Norwegian higher education institutions (HEIs) has traditionally been insufficient to meet the demands in subject fields like medicine, graduate engineering and business and administration and the arts. In the first couple of decades after the Second World War, the proportion of students going abroad was particularly high. An important prerequisite for this was the establishment of The State Educational Loan fund (Lånekassen) in 1947. Generous financial support for studying abroad has contributed to encouraging young people to search for educational alternatives beyond national borders. In the 1950s, almost one in three Norwegian students was enrolled in a foreign university (Bie 1974). Today, capacity regulations play a less important role in student mobility, and the ratio of students abroad is substantially lower than some decades ago. Still, Norway has more mobile students than most Western countries, including Denmark, Finland and Sweden (OECD 2005, UNESCO 2006). The number of degree students abroad has in recent years constituted approximately 6-7 per cent of the total Norwegian student body (SIU 2008), compared to an EU average of 2.2 per cent (Eurydice 2007). In addition, approximately three per cent go abroad as exchange students (Lånekassen 2008). Adding up these figures, we find that every year almost one in ten Norwegian students study abroad.

Providing economic support for students to go abroad has been a means of compensating for a shortage of specialized skills in the Norwegian labour market (NOU 1989; Kälvermark and Van der Wende 1997). Traditionally, only a limited range of study programmes were eligible for support. According to Rotevatn (1998, 97), it was not until the 1970s that the government realized that studying abroad had a value of

its own. Since 1984, financial support for HE abroad could be given independent of domestic enrolment capacity (Stortingsmelding nr 12, 1983–1984). Restrictions on the type of study programmes eligible for support have gradually been removed, and today support can be given for most subject fields in higher education, as long as the study programme is officially recognized by the relevant authority in the country in question.

The (explicit) policy rationales for student mobility are currently mainly related to quality aspects, knowledge transfer and the need for international skills (St. meld nr 19 1996–1997; St. meld nr 27 2000–2001; St. meld nr 14 2008–2009). Students' rationales for going abroad have also changed, from a predominantly 'have-to-go' type of motivation to a predominantly 'want-to-go' type of motivation. These days, the majority of Norwegians study abroad in search of the added value of studying abroad, such as learning about other languages and cultures and improving the chances of pursuing an international career (Wiers-Jenssen 2003). Nevertheless, domestic admission restrictions are still an important reason for studying abroad for certain groups (medical students in particular).

Regarding financial support from the State Educational Loan Fund, mobile students are entitled to basic support to cover living expenses on the same conditions as domestic students. The support is universal, though curtailments can be made due to high income. In addition, mobile students are eligible for support to cover travel expenses and tuition fees up to a certain level. For many years, support for tuition fees was given entirely as a grant. Since 2004, the tuition support is partly given as a loan, making it more expensive to study at fee-charging institutions, particularly at the level of a bachelor's degree. Still, as indicated in Chapter 2, the Norwegian support scheme for mobile students is the most generous in the Nordic countries, with the exception of the Faroe Islands.

The majority of Norwegian mobile students undertake their entire degree abroad. Increasing the number of exchange students has been an important policy goal in the last couple of decades (Stortingsmelding nr 19 1996–1997; Stortingsmelding nr 27 2000–2001), but a substantial rise in the total number of exchange students was not seen until 2002/2003 (SiU 2008). This growth is partly due to the implementation of a reform in Norwegian HE, *the Quality Reform*, stressing the need for internationalisation at Norwegian HEIs and making them more aware of competition from foreign and domestic institutions.

Despite an increased political emphasis on exchange students, nationally as well as internationally, little is known about the professional value of being an exchange student *compared to* undertaking a full degree abroad. This is true not only for Norway, but also for most other countries. Mobile degree students have rarely been included in studies on labour market outcomes of student mobility. Hence, we find it particularly relevant to investigate whether there are differences between exchange students and mobile degree students. The sampling from the Norwegian part of the NGS 2007 is

designed to investigate the differences between the two groups, and this chapter has a special emphasis on comparing these groups. The following topics will be investigated:

– background variables
– transition from higher education to work (unemployment, job search)
– over-Education
– wages
– international jobs.

4.2 Data

The sample is drawn from the State Educational Loan Fund's register of re-payers, and comprises Norwegians who graduated abroad and in Norway between 2003 and 2006 (85% graduated in 2003 or 2004). Four main categories of graduate programmes are included: business and administration, science, technology and engineering, social sciences and journalism/media. Regarding the first three categories, only graduates with a Master's degree or equivalent were selected. In the journalism/media category, graduates with a bachelor's degree were also included.[32] The subject fields selected are the most popular to study abroad.[33] Three groups of graduates are compared:

– mobile students with diplomas from abroad, here labelled *mobile degree students*
– mobile students with diplomas from Norway, here labelled *exchange students*
– mon-mobile students.

The distinction between mobile students with diplomas from abroad and mobile students with diplomas from Norway corresponds roughly to students with longer and shorter sojourns abroad. More than four out of five of those who graduated abroad, (mobile degree students) have spent more than a year abroad, and four out of five mobile students who graduated in Norway (exchange students) have spent less than a year abroad.

The graduates were contacted via a letter and a questionnaire sent by mail. They were given the option to fill in the questionnaire on paper or on the Internet. Two reminders were sent, and the response rate was 46 per cent. This is lower than in other graduate surveys conducted by NIFU STEP, which is assumed to be partly due to the sampling method being less accurate than the method we use in other graduate surveys. For more information about sampling, data and results, see Wiers-Jenssen 2008.

32 This is due to the fact that there are few students with a Master's degree in this subject field.

33 Other popular study programmes not included are health sciences and arts. These categories have been included in prior surveys. Regarding those who study health sciences, we already have a lot of information about these groups of students. Regarding those who study arts, this we find that this is a very heterogeneous group difficult to compare with domestic students, and that standard questions regarding labour market outcomes do not apply well.

4.3 The graduates' background and host country

Both groups of mobile students are more likely than non-mobile students to have parents with higher education (see Table 4.1). This pattern is also shown in other studies on Norwegian students (Wiers-Jenssen 2005; Steenstrup 2008). A more striking difference between mobile and non-mobile students is the number of students who have parents who have lived abroad and/or have lived abroad themselves. Mobile degree students and exchange students are quite similar regarding previous international exposure, and it seems like the 'travel bug' runs in the family for both these groups. Regarding performance in upper secondary school, we find that exchange students had higher average grades than degree students as well as non-mobile students.

Table 4.2 (p. 88) shows the regions where the graduates have studied. The majority of mobile degree students have studied in Anglo-Saxon countries, while exchange students have a wider geographical distribution. It is far more common among the latter group to have studied in European countries other than the UK and Ireland, as well as in non-western countries. The table reflects the general patterns of where Norwegians have studied abroad in the first decade of the twenty-first century, with a few exceptions.[34]

Table 4.1. *Background variables.*

	Mobile degree students N = 1087	Exchange students N = 510	Non-mobile students N = 624
Age	30	30	31
Proportion of women	48	54	51
Proportion with one or both parents with HE	71	76	63
Proportion with one or both parents who have lived abroad for more than 6 months	39	36	25
Proportion who have lived abroad for more than 6 months	52	45	19
Average grades from upper secondary education, scale 1–6 (6 = highest)	4.52	4.77	4.58

34 A higher proportion of degree students have studied in European countries other than Nordic countries, the UK and Ireland. Medical students are not included in the survey, and there are many Norwegian medical students in Eastern Europe.

Table 4.2. *Country/region where mobile students have studied (the longest part of the sojourn abroad), %.*

Country	Mobile degree students N = 1111	Exchange students N = 517
Nordic countries	7	6
UK and Ireland	34	14
Europe, remaining	11	30
North-America	9	15
Oceania	33	18
Other countries	3	16
Unknown	3	2
Sum	100	100

4.4 Transition from higher education to work

Mobile degree students face more challenges entering the labour market than other groups. As we saw in Chapter 2, it takes more time for them to find their first job. Exchange students, on the other hand, find employment faster than non-mobile students. Figure 4.1 shows that the pattern is quite similar across educational groups.

As much as 24 per cent of mobile degree students report that they were unemployed in the period after graduation, while the corresponding figures for exchange students and non-mobile students are 15 and 18 per cent, respectively. An increased probability for unemployment among degree students is also found when background variables, the type of education, and other human capital variables are controlled for in multivariate regression analyses (Wiers-Jenssen 2008, Table 8.6). Mobile degree students send out more job applications, and they have slightly different job search strategies compared to other groups (Wiers-Jenssen 2008, 60–62). They are less likely to use, and have success with using, contacts established during studies (professional network). They more actively seek jobs by contacting employers directly and by signing up with recruitment agencies. Exchange students do not face more challenges than non-mobile students. In fact, they seem to have a slightly smoother transition from higher education to work.

Though a substantial number of graduates have experienced unemployment in the period after graduation, unemployment is not a persistent problem. At the time of the survey (on average, three years after graduation), more than nine out of ten are employed, and the unemployment rates are two percent or lower (see Table 4.3). The rest of this chapter addresses those who are employed at the time of the survey, and the focus is on different aspects of the current job situation.

Figure 4.1. *Number of months between graduation and first job (not including temporal holiday jobs).*

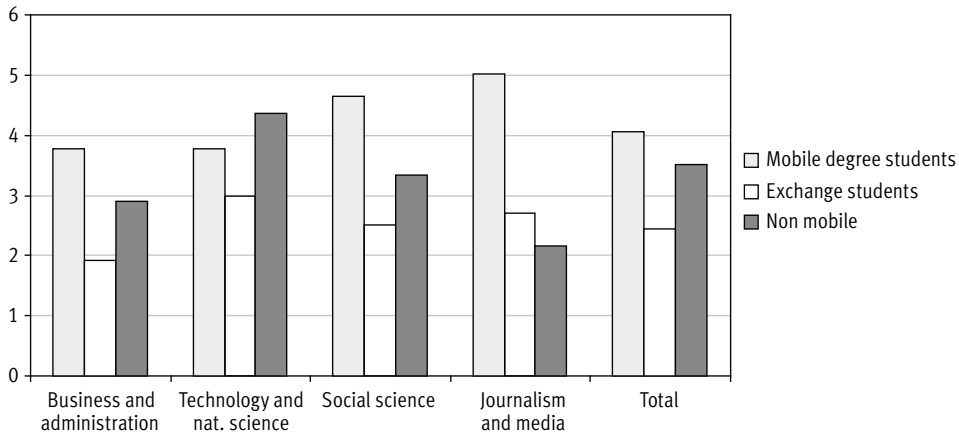


Table 4.3. *Main activity at the time of data collection (April 2007), %.*

	Mobile degree students N = 1099	**Exchange students N = 515**	**Non-mobile N = 642**
Employed	90.7	93.6	92.4
Student	4.4	3.9	3.0
Unpaid domestic work	0.8	0.2	0.2
Unemployed	2.0	0.4	2.0
Other	2.1	1.9	2.5
Sum	100	100	100

4.5 Over-education

We just saw from Table 4.3 shows us that most graduates are employed. Another interesting question is whether they have *relevant* work – a commonly used indicator of labour market success or failure. We have asked graduates to assess to what extent their current jobs match their education level; hence, we are measuring *over-education*, or vertical mismatch. In Chapter 2, we saw that degree students were more likely to perceive themselves as having a job which requires a lower level of education than they hold compared to non-mobile students. Table 4.4 (p. 90) shows that exchange students do not experience an increased risk of over-education.

We have also run multivariate analyses to check if the increased probability of over-education among mobile degree students persists when controlling for other variables. Logistic regression analyses, using a wide definition of over-education (the three last categories in Table 4.4, p. 90) as the dependent variable, confirm that mobile degree

students have an increased risk of being over-educated. This is also true when human capital variables and background variables are taken into account (Wiers-Jenssen 2008, Table 6.7). A possible explanation for this is that degree students face more difficulties entering the labour market, which probably makes them more likely to accept jobs for which they are overqualified in the first phase after graduation. Some will stay in these jobs, implying a higher prevalence of over-education a few years after graduation as well. Exchange students seem to have a reduced risk of experiencing this, though this effect is not statistically significant.

Table 4.4. *The relevance of job tasks compared to level of education, %.*

	Mobile degree students N=1017	Exchange students N = 487	Non-mobile N = 599
Require HE at the same level	57	68	62
Require HE at a higher level	4	6	5
Require HE education at a lower level	22	15	17
Do not require HE, but HE is an advantage	13	9	11
HE is of no relevance	4	2	6
Sum	100	100	100

4.6 Wages

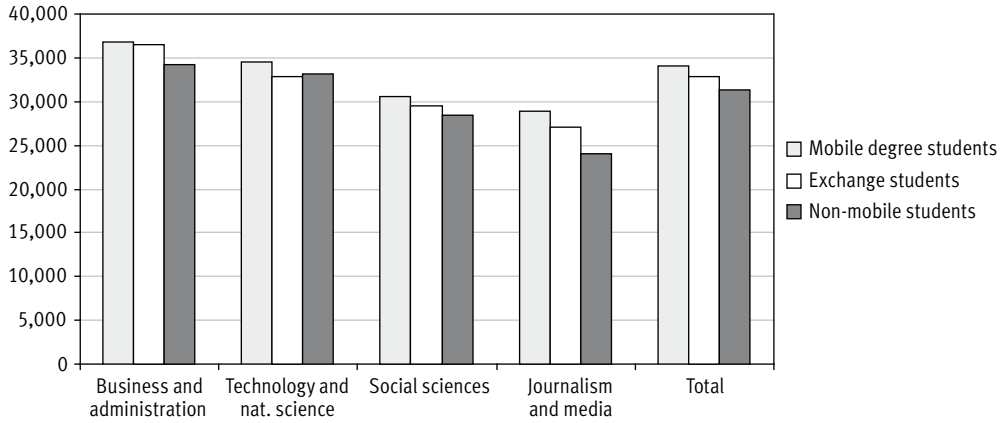
Wage is an important success criterion in the labour market. From this point of view, it is interesting to find that mobile degree students have higher wages than others (see Figure 4.2). Among those working in Norway (full-time employment), degree students have wages eight per cent higher than non-mobile students on average. Exchange students have a wage bonus of five per cent, compared to non-mobile students.

Wages are of course related to more factors than just mobility experience, such as the type of study programme, performance, gender and whether the job is in the private or the public sector. We have run multivariate analyses, controlling for background variables, the type of study programme and other human capital variables and more. The effect of the mobility experience is reduced when we control for such variables. One of the explanations is that mobile students are more likely to work in the private sector, where wages are generally higher. However, there is still a statistically significant positive effect of a diploma from abroad on wages (Wiers-Jenssen 2008, Table 6.9). For exchange students, the effect also remains positive, but is only statistically significant at the level of 10 per cent.

Our models do not allow us to control for personality features. However, differences in the distribution of certain personality features may explain the differences in average

monthly wages. Few studies have investigated this subject, but qualitative interviews with Norwegian mobile degree students have shown that they tend to perceive themselves as different from non-mobile students regarding features such as outgoingness, motivation, persistence, etc. (Stensaker and Wiers-Jenssen 1998). Comparisons of mobile and non-mobile medical students have show that the mobile students have a more 'robust' personality type (Aasland and Wiers-Jenssen 2001). Hence, there are indications that mobile students are different from non-mobile students, and this differentness may be appreciated in the labour market.

Figure 4.2. *Average monthly wage for graduates working full time in Norway April 2007, in Norwegian kroner.*



4.7 International jobs

As seen in Chapter 2, some graduates choose to work abroad temporarily and some on a long-term basis. Working abroad is three times more common among mobile degree students than among exchange students. At the time of the survey, 18 per cent of employed degree students work abroad. This proportion seems to have been quite stable (St meld nr 19 1996–1997; Wiers-Jenssen 2005). Return rates vary substantially according to which country graduates have studied in. Those who have studied in North America and continental Europe are less likely to return than others; three in ten were working abroad at the time of the survey. In comparison, only one in ten who have studied in Australia work abroad. Among exchange students, six per cent of those employed were working abroad at the time of data collection, while the corresponding figure for non-mobile students was two per cent. A sojourn abroad clearly increases the likelihood of working abroad but, taking into account that some of the mobile students bring foreign partners back to Norway, the net loss of skilled labour is low.

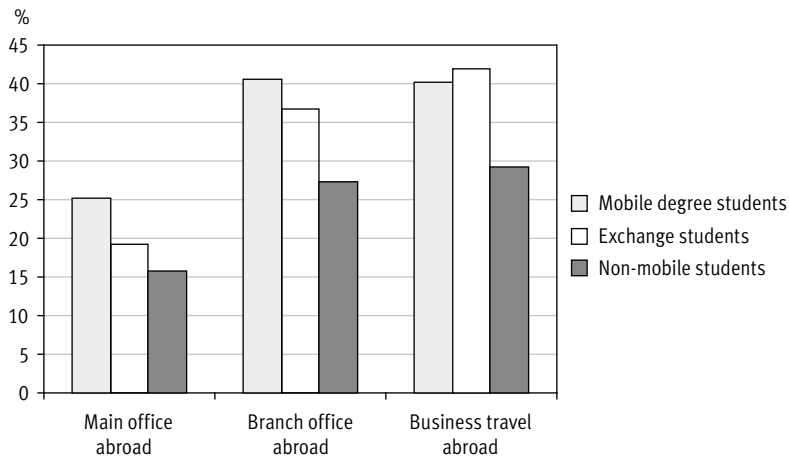
Working abroad is one way of having an international career. Holding a job with international work tasks in the home country is another. An important policy ra-

tionale for encouraging student mobility is that mobile students bring international competence back to Norway. Increasing their opportunities for having an international career is a central motive for Norwegians to study abroad, and many mobile students plan to work abroad, at least for a few years (Wiers-Jenssen 2003). As we have seen, the vast majority of Norwegian mobile students eventually return to Norway. We will now look at those who were working in Norway at the time of data collection, and investigate to what extent they have found employment in what can be categorised as 'international jobs'. In contrast to Chapter 2, we also take into account those who work in firms that have branch offices abroad, not only those who work in firms with headquarters abroad.

Figure 4.3 shows that mobile students are more likely to work in international firms compared to non-mobile students, mobile degree students in particular. Regarding business travel abroad, we find that mobile students travel more than non-mobile students, but there is no significant difference between degree students and exchange students.

Use of foreign languages for business purposes is another indicator of whether the job contains international aspects. The majority of graduates have found work in which they use languages other than Norwegian. Eighty six per cent of degree students, 82 per cent of exchange students and 78 per cent of non-mobile students sometimes use languages other than Norwegian for business purposes. English is the predominant language used for business purposes, independent of the country in which education is undertaken. The frequency in the usage of foreign languages varies by host country, type of education and type of mobility. Mobile degree students use foreign languages more frequently than other groups, though differences are not dramatic. Figure 4.4 shows the proportions of graduates who make use of foreign languages on a weekly basis for different business-related purposes.

Figure 4.3. *International aspects of current employment among graduates working in Norway, %.*



An index was constructed in order to create a measure for an *International job*. The index was made by combining indicators of whether graduates work in an international firm, the amount of business trips abroad and to what extent they apply foreign language skills for professional purposes. (See Appendix p. 97.) The score ranges from 0–7, and Figure 4.5 shows the average score on this index for different types of graduates. We see that degree students on average have the highest score, but that the difference between degree students and exchange students is very small in some subject fields.

Figure 4.4. *Weekly use of foreign languages for different purposes among graduates working in Norway, %.*

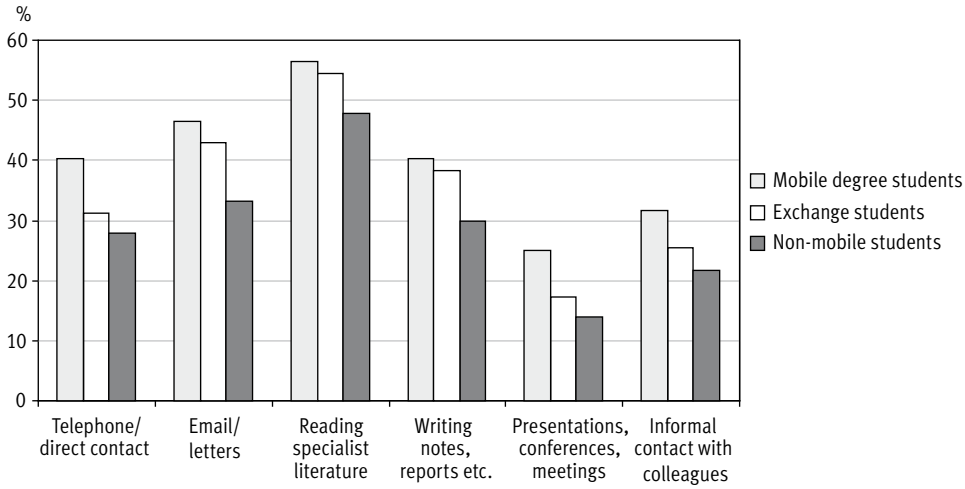
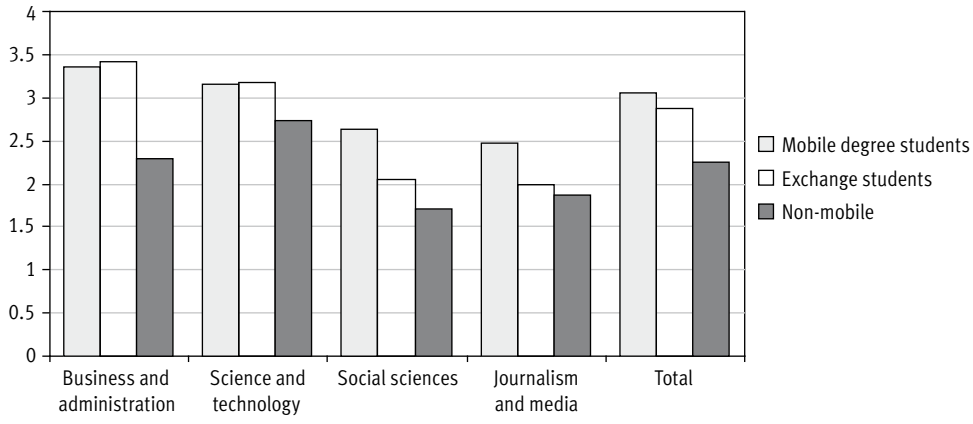


Figure 4.5. *Mean scores on the "International job" index for graduates working in Norway.*



The international job index is also used as a dependent variable in a linear regression analysis. Not surprisingly, the results show that a study sojourn abroad has a significant effect on the likelihood of having an international job, also when other variables are controlled for (Wiers-Jenssen 2009). Prior experience with living abroad increases the likelihood of having an international job substantially. This illustrates that the *accumulated* effect of living abroad is important. Other variables having significant positive effects on the likelihood of holding an international job include high academic performance, relevant work experience after graduation and being employed in the private sector. Being a woman, having children and being a recent graduate all reduce the likelihood of having an international job.

4.8 Summary and discussion

We have seen that mobile degree students and exchange students have certain features in common, but also that they diverge in several respects. Regarding background variables, they are quite similar regarding former international exposure (mobility capital), but they diverge in that exchange students on average performed better in upper secondary school. Exchange students are also of a slightly higher social origin than degree students.

Both groups of mobile students are more likely to have parents with higher education compared to non-mobile students. The most striking differences between the background of mobile and non-mobile students is related to mobility capital.

As for labour market outcomes, Table 4.5 sums up to what extent mobile students are more or less successful than non-mobile students. The table shows more positive than negative effects. We observe negative effects for degree students regarding the transition from higher education to work and in terms of over-education. Though these effects are also statistically significant in multivariate analyses, the relative differences are in no way dramatic. On the positive side, degree students have higher economic returns and more international jobs. They are also more likely to work abroad, though it can be debated whether this should be regarded as a success criterion.[35]

Exchange students seem to experience several advantages in the labour market, but few drawbacks. Can we from this deduce that exchange sojourns abroad are the 'best' form of mobility? No, that would be jumping to conclusions. First, we have to remember that some of the effects we see may be due to selectivity, for example performance and personality traits. Second, exchange students are almost as likely as degree students to have prior sojourns abroad; hence, the accumulated effect of living abroad is important.

35 Seen from the perspective of individuals, working abroad is a success criterion considering the fact that many mobile students study abroad in order to increase their opportunities of having an international career. Seen from the perspective of Norwegian authorities, a high ratio of graduates working abroad may be seen as a criterion of failure. An essential rationale for encouraging student mobility is that students bring back international competence to the Norwegian labour market.

Table 4.5. *Positive and negative labour market outcomes of mobile students compared to non-mobile students.*

	Mobile degree students	Exchange students
Transition from higher education to work	–	(+)
Over-education	–	+
Wages	+	(+)
Working abroad	+ +	+
International jobs in the domestic labour market	+	+

This is further emphasized by the fact that mobile degree students on average have more international jobs than exchange students, presumably due to longer sojourns abroad. The duration of the sojourns affects the amount of added value attached to studying abroad, and parts of this value consist of language skills and international experience. We also have to remember that the labour market outcome of student mobility depends not only on the skills the graduates hold, but also on employers' perceptions of the skills of graduates who have been mobile.

The result that exchange students obtain international jobs and encounter few difficulties regarding labour market transition is also seen in a similar study conducted in Norway a few years ago (Wiers-Jenssen 2005). The same study also shows that degree students face more barriers entering the labour market and obtain higher wages and more international jobs. Hence, the main results from the Norwegian part of the NGS 2007 confirm that certain patterns regarding labour market outcomes for Norwegian mobile students are present and quite stable. An interesting question is if these results are specific to Norway or if parallel patterns can be found in other countries. However, few studies have *compared* degree students and exchange students. The other Nordic countries participating in the NGS 2007 did not have a particular focus on differences between mobile degree students and exchange students, and more studies comparing these groups are needed to find out more about the advantages and drawbacks attached to these two types of mobility.

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Appendix.

The index is constructed according to the following weights:

International firm	**Weight**
No	0
Yes	1
Business travel abroad	
No business travel abroad	0
Low number of days abroad (1–10)	1
Medium number of days abroad (11–20)	2
High number of days abroad (› 21 days)	3
Appliance of foreign language skills for professional purposes	
No appliance	0
Low appliance (score 1–5)	1
Medium appliance (score 6–11)	2
High appliance (score 12–18)	3

5 ICELAND: STUDENT MOBILITY FROM ICELAND

by Edda Kristjánsdóttir
The Icelandic Student Loan Fund (Lánasjóður íslenskra námsmanna, LÍN), Iceland

This chapter addresses student mobility from Iceland and is based on the data from the Icelandic Nordic Graduate Survey 2007. Since there are several distinctive features in Iceland, such as its geographically peripheral position in Europe, a small population, a high proportion of students abroad and, until 2008, a very strong economy, some background information about Iceland and the Icelandic student support system is provided first. Then, the main results of the Icelandic NGS 2007 are presented.

5.1 Background information about Iceland

The population of Iceland was about 313 thousand in 2007 and a little less than 320 thousand in 2008 (Iceland Statistics 2009). According to the statistics, about 63 per cent of the population lives in the capital area of Reykjavik, which is the centre for commerce and services. The main industries in rest of the country are the fishing industry and agriculture.

Icelanders have a long tradition of studying abroad. As early as the 16th century, it was common for Icelanders to go to Copenhagen to study. Iceland was then under Danish rule and Icelanders received grants from the Danish Crown for studies in Denmark. The first university in Iceland, Háskóli Íslands, was established in 1911 (Olgeirsson 2001, 19) and for a long time it was the only university in Iceland. In the beginning, it had only a limited number of faculties and departments and, therefore, it was still necessary for many Icelanders to go abroad to study. Most students still went to Denmark since Iceland was under Danish rule until 1918 and in a formal union with Denmark until 1944, when Iceland got its full independence. It was not until the 1970s and 1980s that more universities were established in the country.

For a long time, Denmark remained the preferred destination of Icelandic students. In 1969, most of the students abroad were studying there, while Norway and Germany were the next most popular destinations. In the late 1970s, Denmark was still the most popular country among Icelandic students, followed by Sweden and the USA. (Olgeirsson 2001, 149.) According to the findings from the Icelandic Nordic Survey 2007 (ParX 2007, 68), Denmark is nowadays still the most preferred destination, with the USA coming in second and Great Britain in third place. An example of Denmark's popularity among Icelandic students is that, in the academic year 2006–2007, 46 per cent of Icelandic students abroad were studying in Denmark (Iceland Statistics; LÍN annual report).

The Icelandic authorities and the population in general approve of students going abroad to study. Even though students could study in Iceland, studying abroad is

seen as a method to increase diversity in education, to elevate the education level of the populace and to enhance the internationalization of Icelandic society. In addition to degree students, increasing numbers of Icelandic students have been studying in foreign universities as exchange students; the exchanges are organized by student exchange programs such as Nordplus and Erasmus. Some Icelandic universities have also established their own student exchange programs with foreign universities.

The Icelandic authorities have not interfered by telling students where to seek their education. Student loans are granted for studies in all accredited schools and universities throughout the world. In addition to acquiring new knowledge, studying abroad provides the opportunity to learn foreign languages, which is particularly important in Iceland. Studying abroad is looked upon as, among other things, a way to achieve such knowledge, irrelevant of the main subject of study.

5.2 The role of the Icelandic Student Loan Fund

Although most fields of study are nowadays available in Iceland, the Icelandic Student Loan Fund (Lánasjóður íslenskra námsmanna, LÍN) has allocated loans for vocational studies abroad too. However, there are some subjects which cannot be studied in Iceland. Because of the small population of Iceland, it is not feasible to establish subjects which only a few people study. It is cheaper to allocate favourable loans for students to study certain fields abroad rather than to establish schools or courses in Iceland. Previously, when it came to decide which studies to support, the Icelandic Educational Authorities put priority on 'practical' studies which could not be undertaken in Iceland. The support was not limited to studies on a university level, as studies in agriculture and fishing, for example, were prioritized as well. (Olgeirsson 2001, 48–51.)

The Icelandic Student Loan Fund was founded in 1961. Before that time, the Icelandic (and before that Danish) government had some systems in place for granting loans and scholarships to students studying in Iceland and abroad. The role of the Icelandic Government Student Loan Fund is to guarantee an opportunity to study for those covered by the act, irrespective of their financial situation. The fund grants loans for studies abroad as well as in Iceland. Loans are granted for higher educational institutions abroad which make demands of the students comparable to those made regarding university studies in Iceland. Loans for accredited vocational studies abroad are made as well. Loans for living expenses may vary according to the country in question, based on an estimation of living expenses in each country. Under certain circumstances, LÍN grants additional loans for students' dependent children and for spouses as well. The fund also provides loans to cover travel expenses. Thus, the fund gives support according to the need of the student and makes it easier for students with families to go abroad and study and take the family along. Loans are provided for tuition fees in Iceland and abroad, both for undergraduate and postgraduate studies.
The re-payment rules of the loans are lenient; annual repayments depend on the loan recipient's income during the previous year. The loans are index regulated with a one

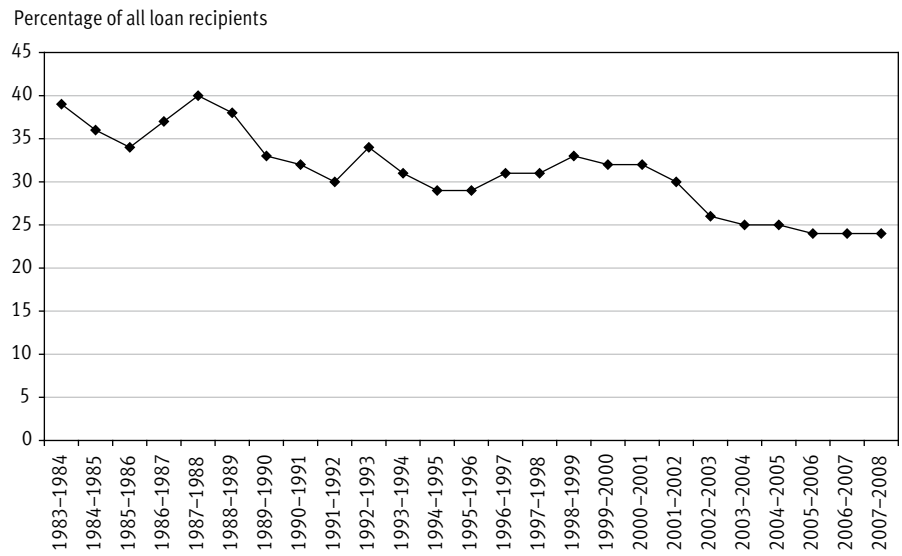
per cent interest rate and the loans are annulled in the case of the death of the loan recipient. Exceptions to the repayment can be made in cases of sickness, disability, unemployment, etc.

5.3 Icelandic students abroad

The supply of studies and subjects has gradually been increasing in Icelandic schools and universities, both at the undergraduate level and at the postgraduate level. Nowadays, it is possible to take most undergraduate level subjects in Iceland. The supply of postgraduate (master's and PhD degrees) studies has also been increasing over the years. The proportion of students abroad is, notwithstanding, high: 31 per cent of LÍNs loan recipients were studying abroad in the academic year 1990–1991. The proportion has been 24–25 per cent during approximately the last ten years. LÍN's allocation rules are partly to thank for that, because the rules do not differentiate between studies in Iceland and studies abroad regarding loans for living expenses. Loans for payment of tuition fees have been provided for graduate studies abroad and also for undergraduate studies up to a certain amount. LÍN has also assisted by providing loans for preparatory language studies for 1–3 semesters (except for English and the Nordic languages).

Figure 5.1 represents the proportion of student loan recipients abroad. The proportion has fallen from about 40 per cent of all student loan recipients in the academic year 1983–1984 to about 25 per cent in the academic year 2007-08. However, the share is rather high compared to other Nordic countries (see section 1.3).

Figure 5.1. *The proportion of student loan recipients abroad from the academic years 1983/84 to 2007/08.*



Source: LÍNs annual reports.

5.3.1 Which subjects are taken abroad?

According to LÍNs yearly report, the most popular studies abroad in 2004–2005 were engineering and technology, art and architecture. Students in business economics and marketing were numerous as well.

Engineering and technology studies were mostly done in the Nordic countries, especially in Denmark. Forty three per cent of all Icelandic students in engineering and technology were studying abroad, and all but two per cent of them were studying in the other Nordic countries. Various kinds of art studies were also frequently done abroad. In 2004–2005, about 24 per cent of art students were studying on mainland Europe. Students studying design of all kinds were mostly studying abroad (54%). Most of the students (75%) in architecture were studying abroad as well. It was not possible to study architecture in Iceland until 1999, when the Iceland Academy of Arts was founded.

5.3.2 Educational levels of studies abroad

Comparatively, more students at the postgraduate level (master's or PhD degree) study abroad than in Iceland. Although the choice of postgraduate studies has been increasing in Iceland, it is still common for Icelanders to take an undergraduate degree at home but go abroad to take a postgraduate degree. Nearly a fifth of LÍNs loan recipients were doing their postgraduate studies abroad in the academic year 2007–2008, whereas 67 per cent were doing their undergraduate studies and 14 per cent their lower degrees or vocational studies abroad. At the same time, 15 per cent of those studying in Iceland were doing postgraduate studies, 71 per cent undergraduate studies and 14 per cent were doing vocational studies.

It is worth mentioning that the supply of doctoral studies in Iceland has increased greatly in the last decade. The number of students taking PhD degree in Icelandic universities has also increased sixfold from 1997 to 2007. (Iceland Statistics 1997–2007.)

The USA and Great Britain are the most preferred destinations for graduate studies. Forty seven per cent of Icelandic students in the USA and 45 per cent of Icelandic students in Great Britain were studying at a graduate level in 2007–2008. In contrast, only 30 per cent of Icelandic students in Denmark were studying at a postgraduate level. (Data from LÍN archives 2007–2008.) Italy can be taken as an example of a country where many Icelandic students have gone to study lately. Popular studies there include various kinds of fashion and design studies, mostly at the undergraduate or lower degree levels.

5.4 Description of the NGS 2007 data and the aim of the survey

The survey group of the Icelandic Nordic Graduate Survey 2007 was a random sample of 3012 people out of a group of 5000 students who graduated from Iceland or abroad during the years 2003–2007 and had taken student loans from the Icelandic Government Loan Fund.

The survey was carried out on the web from April through July 2007. The participants were approached by letter, including an introduction of the survey, and a request to fill out a questionnaire and describe their situation on the 13th week of 2007. In the letter, there was also information about the website and the password the participants were asked to use in order to complete the survey. Altogether, 1280 people from the sample group finished the questionnaire and the response rate was 42 per cent.

The aim of the Icelandic Nordic Graduate Survey 2007 was twofold: first, to analyse the current situation of those who had been studying during the years 2003–2007 and had taken student loans from LÍN; second, to compare the situation of those who graduated from schools and universities in Iceland with those who had graduated abroad. The objective of this comparison was to find out whether studying in Iceland or abroad had had any effect on the situation of the participants, and in what way. Furthermore, the aim was to try to analyse the situation of the participants on the grounds of other factors such as gender, achievements in their studies and their level of education.

Responses were mostly analysed in terms of where the participants had studied, i.e. Iceland versus abroad. More detailed information can be found in the Icelandic report (ParX 2007) and in Chapter 2.

5.4.1 Other data about Icelandic students abroad

In Iceland, there are no accurate figures available about the exact number of Icelandic students abroad. 'Iceland Statistics' collects data about students abroad, but their figures are based on the statistics from LÍN.

In the academic year 2004–2005, there were 2,429 loan recipients studying abroad, which represents about 25 per cent of the entire loan recipients group (LÍNs annual report 2004–2005). It is known that there are more Icelandic students abroad than this, but the exact number is not known. As mentioned earlier, about half of the students who are eligible for loans in Iceland actually apply for loans. However, it can be assumed that the proportion of students who take loans is higher among those who study abroad.

According to the information from the other Nordic student loan funds (Denmark, Norway, Sweden), about 500 Icelandic citizens have received student support from

other Nordic countries annually during the last decade. It is not likely that Icelandic students are, to a large extent, able to obtain study loans or other form of assistance from other countries, except perhaps from the USA and Great Britain, and even then the support would be in the form of scholarships to cover school fees. Students must seek other forms of support from LÍN. Therefore, it can be assumed that most students studying outside of the Nordic countries have to rely on LÍN and are, therefore, included in the loan recipients figure. It can, therefore, also be roughly assumed that about 3000 Icelandic citizens have been studying abroad in the academic year 2004–2005 (or every given year for the last decade), which represents about one per cent of the Icelandic population.

5.4.2 Results of the survey

Background information

About 28 per cent of the participants had been studying abroad and 72 per cent had been studying in Iceland. Forty three per cent of the respondents indicated than they had done part of their education abroad. In this chapter, we only distinguish between those who have graduated abroad and those who have graduated in Iceland; hence, exchange students (those who did part of their education abroad, but who graduated in Iceland) do not constitute a separate group in the analysis. According to LÍN's data from the corresponding time period, the proportion of students abroad was not as high as the NGS indicated; at that time it was only about 24–25 per cent. Therefore, it seems obvious that the response rate of mobile students was higher than the response rate of those who studied in Iceland.

According to the Icelandic NGS results, women outnumbered men (64%). The majority of the respondents (51%) had completed a bachelor's degree, 29 per cent a master's degree and 2 per cent had completed a PhD. The rest of the respondents had completed a lower degree or vocational studies. According to the survey, the three most popular fields of study were education and pedagogics, business, and management and engineering.

The vast majority (95%) of those who answered the survey indicated that they had taken student loans to sustain themselves during their studies. Because the survey group was chosen from LÍNs client group, this outcome is not surprising. It is known from other sources that only about half of those students who are eligible for student loans actually take them in Iceland.

Those who had studied abroad more often had parents with a university education. Students with a PhD degree have the highest proportion of university-educated parents. The proportion decreased along with the lower educational level of the participant.

Grades from secondary school did not seem to have an effect regarding whether the participant was likely to choose to study abroad or not.

Reasons for going abroad to study

The main reasons the participants gave for going abroad to study were an interest in studying in a foreign environment, a wish to experience foreign cultures, a desire to be able to learn foreign languages and presumed better quality of the preferred field of study abroad. The reason that the preferred field of study was not available in Iceland only came in the fourth place.

Participants in the survey were also asked if they had considered studying abroad but decided against it. The main reason people gave for not going abroad was that it was too expensive to go abroad or too problematic. Many students were also unwilling to leave their family and friends.

Job seeking methods

Those with education from abroad used in some ways other means of job seeking than those who studied in Iceland. They sought employment through friends and family to a greater extent and more often utilized academic connections than those who had studied in Iceland. They were also more likely to use the services of job agencies and job centres. It took a longer time to get a job for participants who had studied abroad. Students who had studied in Iceland often got their jobs by contacting employers without knowing about job vacancies or the employer had contacted them firsthand and offered them a job. It is common in Iceland that students work during the summertime and there are presumably numerous possibilities to form connections with workplaces during the summer job.

At the time when the survey was conducted, the employment situation in Iceland was very good, at least in some areas, and students were often offered jobs even before graduation.

Labour market experiences after the studies

A comparison of respondents who studied in Iceland and those who studied abroad showed that mobile students considered studies and work experience from abroad and knowledge of foreign languages more important for the employer than those who had done their education in Iceland.

For mobile students, it took a longer time to get a job than for non-mobile students. They also typically had sent out nine job applications, whereas those with education from Iceland had typically sent out only three applications.

Those who had studied abroad indicated that they could utilize in their work the abilities and personal skills they had attained during their studies abroad to a much

greater extent than they had anticipated beforehand. Studying abroad had helped them to develop their skills and made it possible for them to get a more interesting job.

Those who had graduated abroad report more often than their domestic counterparts that they do not make full use of their education on the job, i.e. they are more likely to be over-educated. Those who had graduated from schools and universities in Iceland were more likely to indicate that their education was insufficient for the job. In general, those who had studied abroad were also in higher positions in the workplace; they were more likely to be managers or specialists, while those who had studied in Iceland were more likely to work as middle managers.

Furthermore, graduates with a foreign degree use foreign languages more often in their job. The majority of the survey group had to use foreign languages in their job. English was the most used foreign language. One of the Nordic languages came second.

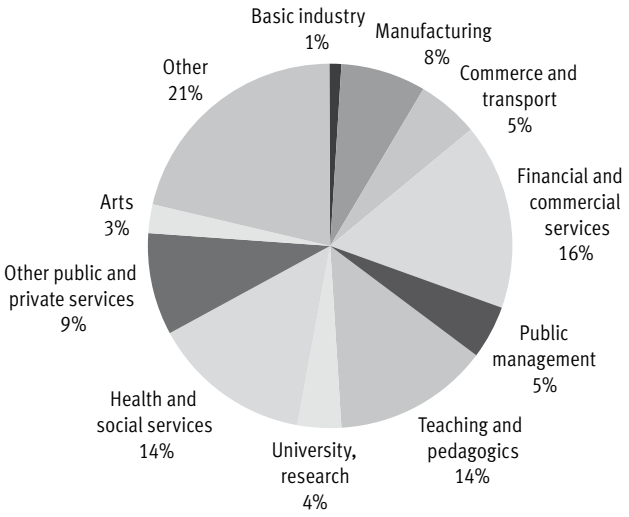
Those who had studied abroad were more likely to have searched for a job abroad and considered it more likely that they would live abroad after five years time. Also, those who had graduated abroad were more likely to work abroad at the time of the survey. Graduates from abroad also held jobs less frequently outside the capital area in Iceland, as only 13 per cent of them worked outside the capital area and 16 per cent were working abroad.

The share of employed graduates is slightly higher among those who have graduated abroad (89%) than among those graduated in Iceland (86%). The share of unemployed respondents was less than one per cent in both groups. At the same time period, the general unemployment rate in Iceland was about two per cent (Iceland Statistics 2007).

In Figure 5.2 (p. 106), the participants' present occupational fields at the time of the survey are shown. Almost a fifth of the respondents were working in the field of financial and commercial services. Many were working in the field of health and social services and teaching and pedagogics.

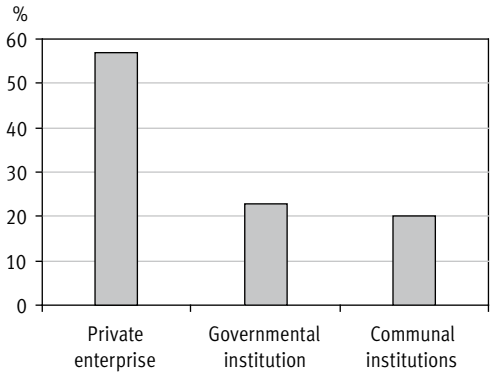
The participants were also asked to indicate their present employer (Figure 5.3, p. 106). More than half of the respondents were working in the private sector. One-fifth of respondents were working in governmental institutions and almost as many in municipal institutions. Those who had studied abroad worked more often for private enterprise (67%), compared to 53 per cent of those with education from Iceland who worked for private enterprises.

Figure 5.2. *The occupational fields of the respondents.*



Source: ParX 2007, 13.

Figure 5.3. *The employment sector for the participants (all participants included).*



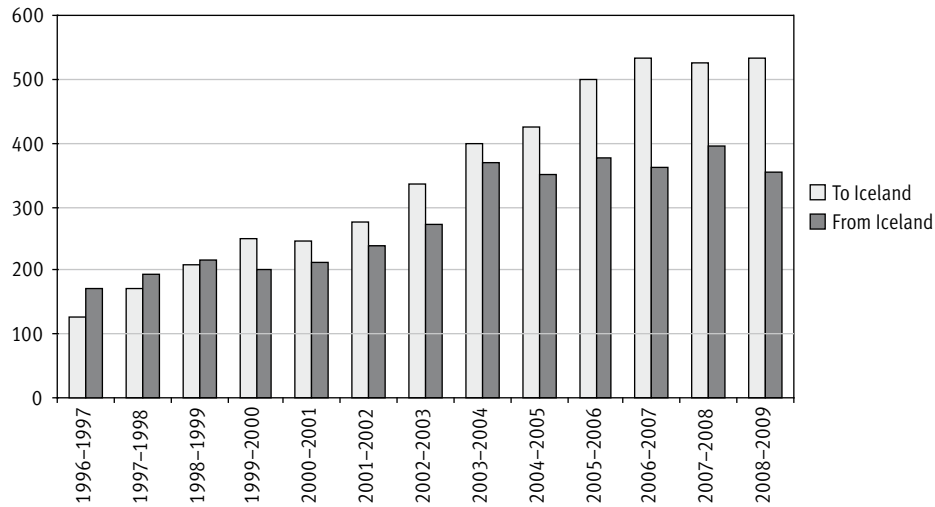
Source: ParX 2007, 13.

Exchange students

Forty three per cent of the respondents in the Icelandic Nordic Graduate Survey indicated that they had done part of their education abroad (exchange students). The participants were not asked to elaborate on the question, so it is not known what kinds of studies they did abroad.

Icelandic universities started participating in students exchange programs in 1992. Until 1999, there were more outgoing than incoming exchange students (Figure 5.4). Since then, the trend has reversed and universities in Iceland receive more foreign exchange students than students they send abroad.

Figure 5.4. *The amount of Icelandic exchange students abroad from the academic years 1996/97 to 2008/09.*



Source: The International Office of Háskóli Íslands 2009.

5.5 Does education abroad pay off?

Iceland has been sending students abroad in greater numbers than many other nations. In general, students who went abroad report that they had a good experience. The majority of the students have returned to Iceland to work after their studies. According to the Icelandic NGS results, as much as 84 per cent of those who have been studying abroad have returned to Iceland (ParX 2007). According to the results, these students get in general higher salaries than those who stayed in Iceland. Furthermore, they were able to get a job higher up on the job ladder. They were also working more often in private companies and more often in the capital area, where job opportunities are diverse, than those who had been studying in Iceland.

However, there were some downsides as well. It took a longer time for mobile students to get a job and they more often felt that they were overeducated, i.e. could not find a job in which they could fully put their abilities to good use.

Most of those who had studied abroad considered their school very good or above average. They were also in general satisfied with the outcome of their studies abroad.

Therefore, it seems fair to say that studies abroad have increased diversity within Icelandic society and have contributed to the development of the society in general. In that sense, it can be argued that the investment in education abroad does pay off.

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6 THE FAROE ISLANDS: STUDYING ABROAD: WELCOME EXPOSURE OR BRAIN DRAIN?

by Jacob Mouritz Olsen
The Faroese Student Grant Fund (Stuðulsstovnurin)

In this chapter, some of the main findings from the Faroese NGS 2007 are presented. Up to this point, no other study has been conducted on the proportion of Faroese students who return to the Faroe Islands upon completing their studies abroad. The desire to answer this question is a key reason why the Faroes decided to participate in this joint project with Finland, Iceland and Norway. Additionally, this survey made it possible to examine whether there are differences between those Faroese graduates abroad who have returned home or desire to do so and those who reside and want to stay abroad. Another question the Faroes brought to the study was whether other reasons than the limited scope of higher education on the islands motivate Faroese students to study abroad.

6.1 Introduction

The Faroe Islands are located in the North Atlantic Ocean, approximately half way between Scotland and Iceland. The Faroes have been an autonomous region of the Danish Kingdom since 1948. The Danish Kingdom consists of Denmark, the Faroes and Greenland. Over the years, the Faroese government has assumed jurisdiction over most internal affairs, including education.

Historically, the majority of Faroese students have received their higher education abroad. During the academic year 2004–2005, 62 per cent of Faroese students enrolled full-time in higher education were studying abroad. Compared with the other Nordic countries, the proportion of full-time students studying abroad is very high (Wreber and Björk 2006, 45).[36] The main reason why so many Faroese students study abroad is the limited supply of higher education on the Faroe Islands, a limitation primarily due to the small size of the population, only about 49,000 people.[37] The degrees offered on the Faroes consist of a few shorter and longer professional degrees[38] and some academic degrees offered at the only university on the islands, Fróðskaparsetur Føroya[39]. The widespread mobility of Faroese students means that approximately 2 per cent of the

36 In Iceland, 25 per cent of full-time students study abroad, 10 per cent in Norway, 5 per cent in Sweden, 3 per cent in Finland and 2 per cent in Denmark. The figures are based on the academic year 2003–2004 and refer to those students who did their entire degree abroad.

37 The population was 48,940 in July 2009 (www.hagstova.fo, Statistics Faroe Islands, Hagstova Føroya).

38 Teacher training, social education, nurse training, and degrees in maritime operations (www.mms.fo, Ministry of Culture).

39 Bachelor's and master's degrees in Faroese language and literature, in history and political science, and a number of BA courses in mathematics, IT, physics, chemistry and biology (www.mms.fo, Ministry of Culture).

entire Faroese population is, at any given time, studying abroad (Wreber and Björk 2006, 25). Anecdotal evidence suggests that many who move abroad to study do not return home. Although some evidence points in this direction, this question has not been addressed in a systematic manner. One of the aims of the Faroes NGS survey 2007 was to determine whether this is the case or not.

In order to cope with the limited supply of higher education on the islands, a political objective of the local government has for many years been to eliminate any social and/or economic barriers to the course of higher study people may embark on or where they wish to study (Løgmansskrivstovan 2007, 38). The primary policy to eliminate such barriers is through funding schemes and agreements administered by the Faroese Student Grant Fund, *Stuðulsstovnurin*.

The Faroese Student Grant Fund was established and began issuing grants in 1988. Up to this point, the Danish government had administered student funding through the Danish Education Support Agency. But in 1988, the local government appropriated both the legislative authority over and the administration of student grants.

The operating principle of the Faroese Student Grant Fund has, since 1988, been to give grants to students studying on the Faroe Islands, while students studying abroad received grants from the Danish Education Support Agency (Wreber and Björk 2006, 25). However, through the ÚSUN scheme,[40] students enrolled in recognized degrees outside the Nordic countries are eligible to receive grants for tuition costs.[41] In 1997–1998, 94 per cent of Faroese students abroad studied in Denmark. Considering this, ÚSUN, as an educational policy, can be seen as a political attempt to encourage a larger proportion of Faroese students to study in countries other than the Faroe Islands and Denmark. In 2004–2005, 'only' 85 per cent of all Faroese students studying abroad studied in Denmark. This moderate reduction in students studying in Denmark is most likely explained by the improved support by ÚSUN for Faroese students studying in non-Nordic countries.

6.2 The Faroese NGS 2007

The target group was all Faroese students enrolled in higher education (1265) who were registered at the Faroese Student Grand Fund to complete their degrees between 2004 and 2006. From the 852 who met the criteria for the study[42], 513 returned the

40 ÚtbúgvingarStuðul til lesandi Uttan fyri Norðurlond (Tuition support for students studying outside the Nordic countries).

41 If these students are not eligible for Danish student grants, they may also apply for additional grants to cover their living expenses. For more information on the various grant schemes of the Faroese Student Grant Fund, see www.studul.fo.

42 The four main reasons why the numbers of students went from 1265 to 852 were: 1) Some had discontinued the study programme they were registered for, 2) some had not completed their degree as expected, 3) some had commenced working on a master's degree immediately upon completion of their BA, and 4) some were unreachable because their addresses were outdated.

questionnaire (60%).[43] The data collection period was 2½ months, lasting from 23 April to 12 July 2007. Twenty four per cent of the respondents have a master's degree, 61 per cent have a bachelor's degree, and 15 per cent have a lower degree. (Olsen 2008.)

6.3 What characterizes the Faroese graduates from abroad?

Table 6.1 shows that 40 per cent of all respondents graduated on the Faroe Islands, while 60 per cent graduated overseas.[44] Nine out of 10 Faroese graduates abroad graduated in Denmark.

However, twice as many Faroese studied in English-speaking countries in 2006–2007 as graduated in 2004–2006; there has been a corresponding reduction of Faroese students in Denmark as well. This suggests the distribution of students/graduates in Denmark and in English-speaking countries will continue to change, as more Faroese students choose to study in English-speaking countries. Therefore, it is expected that the proportion of graduates with degrees from English-speaking countries will be higher in a few years, with a corresponding reduction in graduates with a Danish degree.

Nineteen out of the 22 Faroese graduates from non-Nordic countries graduated from schools in English-speaking countries. A large majority (15) graduated from schools in the United Kingdom. The three who did not graduate from a school in an English-speaking country graduated from schools in Spanish-speaking countries (Spain and Peru).

Table 6.1. *All Faroese graduates, 2004–2006, and Faroese students in 2006–2007, broken down by the countries in which they graduated and studied, %.*

	Degrees in 2004–2006 N = 513	**Students in 2006–2007 N = 1520**
Faroe Islands	40	40
Denmark	54	50
Other Nordic countries	2	2
English speaking countries	3	7
Other countries	1	1
	100	100

43 The questionnaire could be sent in by mail or completed on the Internet: 64 per cent of respondents chose the former option, while 36 per cent chose the latter.

44 Note that the distribution of those who graduated on the Faroe Islands and those with a degree from abroad is almost identical to the distribution of students in 2006/07.

Proportionally, more female (62%) than male students (54%) graduated abroad. More people from the capital municipality (Torshavn) receive their degrees abroad than people from the other municipalities on the Faroe Islands.[45] Seven out of 10 graduates from the capital municipality received a degree abroad, while only five out of 10 graduates from other municipalities received their degree abroad. Interestingly, those who have previously lived abroad are more likely to study abroad than those who have not – 62 per cent of those who graduated abroad and 37 per cent of those who graduated on the Faroe Islands had previously lived abroad.[46]

On average, those educated abroad have parents with a higher educational level than those who received their degrees on the Faroe Islands. From this, we can develop a general assumption: children of parents who studied abroad are more likely than others to study abroad, and thus more likely to complete the longer lasting and higher degrees. Thus, it appears that social legacy does influence whether people choose to study abroad. As predicted, the survey showed that 80 per cent of Faroese graduates with a higher, longer lasting degree graduated in Denmark, while only 10 per cent of them graduated on the Faroe Islands.

6.4 Reasons why Faroese students choose to study abroad

Those who received their degrees abroad highlighted three main reasons why they went abroad. First and foremost they confirmed what was expected: the limited scope of degrees offered on the Faroe Islands is a major factor when Faroese students choose to study abroad (the second most common answer). Furthermore, they also expected that the education overseas would be of a higher quality (the third most common answer). But the most important factor for students going abroad is the opportunity to study in a foreign environment. The most common reason given for studying abroad was that it is 'interesting to study in a foreign environment,' while the fourth and fifth most common reasons were 'the desire to experience a different culture' and 'love of adventure.'

Two subsequent studies (DNAG 2007; Absalonsen 2009) on Faroese students living in Denmark and Faroese students in Britain show that 5–6 out of 10 who graduated in these countries would not have, if it was possible, taken the same training on the Faroe Islands. However, it is unknown whether the proportion would have been the same if the respondents had been asked the same question before they went abroad.

From Figure 2.4 in chapter one, the average grading of 'It is interesting to study in a foreign environment' and 'the degree is not offered on the Faroe Islands' are weighed almost evenly as reasons for going abroad to study; therefore, it is questionable whether

45 Here respondents were asked where they lived until the time they turned 17.

46 Only persons with residence abroad for more than 6 months were counted as living abroad prior to commencing their studies.

many are forced to study abroad, since so many have gone abroad simply because of their desire to study in a foreign environment.

6.5 Half of the Faroese graduates from abroad do not return to the Faroe Islands

Table 6.2 shows that 56 per cent of those who graduated abroad between 2004 and 2006 were still living abroad in April 2007. It should be noted that the proportion of graduates who still live abroad is highest among graduates from 2006 (66%) and lowest among graduates from 2004 (49%). Thus, it is likely that some graduates from 2006 will move back to the Faroe Islands within a few years.

In comparison, virtually all Faroese graduates who received their degree on the Faroe Islands during the same period were residing on the islands in April 2007.

Only 58 per cent of those who graduated abroad expect to live on the Faroe Islands in 2012. There is no significant difference in the proportion of men and women who expect to live abroad in 2012. But since more women than men study abroad, it will still be more women than men who continue to live or expect to live abroad in 2012. Furthermore, the study shows that in particular those with a long-term education expect to live abroad in 2012.

Table 6.2. *Country of residence and municipality, organized by where graduates study and at what level they studied, %.*

	Abroad	Tórshavn municipality	Other Faroese municipalities
Degree from the Faroe Islands	6	44	51
Degree from abroad	56	26	18
Long term higher education (4–5 years or more)	50	34	16
Medium term higher education (3–4 years)	30	35	36
Short term higher education (less than 3 years)	37	37	26

6.6 Brain drain – a challenge

In June 2007, the Faroese Government published a report written as a vision for the Faroe Islands in the year 2015. Its overall objective is that the Faroe Islands shall be competitive on an international level in 2015 (Løgmansskrivstovan 2007, 9). According to the government, in order to achieve this goal it will be essential to have a competent labour force in the Faroese labour market. This labour force is defined as consisting of

talented, hard-working and educated people. The report states that the markets which will have the competitive edge are those who are able to attract this labour force.[47]

The birth rate on the Faroe Islands is high (an estimated 2.44 in 2009) compared to the other Nordic countries,[48] but the net export of (educated) adults is equally high, leaving the population size virtually unchanged.

The significant loss of skilled resources leads to a great loss of economic, cultural and social values-values which otherwise could be beneficial for Faroese society.

Today, there is a labour shortage on the Faroe Islands in several fields, while, as the study made by DNAG shows, there are Faroese educated within the same fields residing abroad. Considering this, the present export of Faroese students, of whom a high proportion are women, can be seen as a vicious cycle, which has a negative effect both on welfare and population growth on the Faroe Islands.

In order to achieve the goal set by the government (to be a globally competitive society), it is of paramount importance to secure a highly educated work force. How can this be achieved? This is not an easy question to answer, but the solution may include trying to limit the number of students who study abroad (by, for example, offering more degrees on the Faroes, perhaps as distance learning), finding ways to encourage those who study abroad to return, and to possibly import qualified professionals from abroad. Only the first of these two strategies has been part of the Faroese NGS 2007. Thus, the question of how to secure a satisfactory import of foreign labour in the future will not be questioned further in this chapter.

6.7 Why do educated Faroese stay abroad?

The Faroese NGS 2007 has only to a limited extent shown the reasons why more than half of the Faroese who graduated abroad remain abroad upon completing their studies. At the same time as data was collected for the Faroese NGS 2007, the North Atlantic Group of the Danish Parliament (DNAG) conducted a survey among Faroese graduates living in Denmark called 'Why Faroese decide to live in Denmark.' This survey is based on 1022 respondents.

In 2009, the Representation of the Faroes in London conducted a survey on Faroese graduates living in Britain. The survey was conducted partly as a questionnaire with 120 respondents and partly as semi-structured interviews with 15 Faroese living in Aberdeen and London. 60 per cent of these were studying at a university and 20 per cent were working full time.

47 Løgmansskrivstovan 2007, 9–14.

48 Central Intelligence Agency, 2009: The birth rates in the other Nordic countries are: Denmark 1.74, Finland 1.73, Iceland 1.90, Norway 1.78 and Sweden 1.67. The average estimated birth in the European Union in 2009 is 1.51.

The Faroese NGS survey 2007 showed that most Faroese graduates abroad who met a foreign partner during their studies remain abroad. Only one in 10 of them have moved back to the Faroe Islands.

In contrast, most of those who remained single or met a Faroese partner abroad moved back to the Faroe Islands immediately after completing their degree or expected to move back within 5 years of completing their studies.

In addition, the NGS survey 2007 showed that those with short or medium term degrees are more likely to return to the Faroe Islands. Several factors may contribute to why those with a long-term education are more likely to stay abroad. One reason may be that they are more likely to have lived at least 5 years abroad.

On the basis of their answers, the respondents of the DNAG study on why Faroese chose to live in Denmark were divided into four broad groups. The purpose of the following discussion of these groups is to show why so many Faroese do not return home and consider what can be done in order to change this trend. The respondents in the survey were Faroese living in Denmark, aged 18–45, and include also Faroese who moved to Denmark for other reasons than to study.[49]

The first group is mostly women, aged 35 years and older. They have one or a few children, typically with a Danish partner, who they met in Denmark. They have either no degree or a short term degree and have a low or medium income. They have lived in Denmark for a long time and have no desire to move back to the Faroe Islands. This group is, therefore, not relevant when considering how society must be changed in order to attract graduates back to the Faroe Islands, partly because they do not want to move back but mainly because they to a large extent do not have a higher degree. However, their dissatisfaction with the economic and social support systems on the Faroe Islands, including child care and housing, is significant. Although these people have left the Faroe Islands for good, how to minimize the migration of this group should be considered.

The second group consists of people who are fairly established and integrated within Danish society. They have lived in Denmark many years and want to remain in Denmark. They have Danish partners and work in Denmark. They are happy with their life in Denmark, have little or no connection to the Faroe Islands and rarely visit the islands. They do not want to move back and rarely meet with other Faroese in Denmark. Their strongest ties are to Denmark, not the Faroe Islands.

Unlike the other three groups, the respondents in this group mainly moved to Denmark because 'something had to happen'. They have no interest in Faroese issues, such as childcare, housing, and economic and social support.

49 64 per cent of the respondents of the DNAG survey said they moved to Denmark for educational reasons.

The people in this group are probably the most difficult to reach, because it was the sense of adventure that led them abroad, not because they were forced to leave in order study or were dissatisfied with Faroese society.

The third group consists mainly of Faroese younger than 30. They are students who live in apartments, have a Faroese partner and typically have no children. They moved to Denmark in order to study. They feel a strong connection to the Faroe Islands and often meet with other Faroese in Denmark. They have a keen interest in current affairs on the Faroe Islands, visit the islands fairly frequently, and miss home. They have lived in Denmark for a relatively short period and, overall, desire to move back to the Faroe Islands.

But the people in this group make demands on Faroese society. According to these respondents, the Faroe Islands are conservative (in a negative sense). They think that child care, economic and social support systems, and recreational and cultural offerings are relatively poor on the islands. In addition, they note the lack of professional challenges and forums on the islands. But they desire to actively contribute to the economic and cultural prosperity of the Faroes. This is clearly a target group in the attempt to reduce the number of Faroese who chose to reside abroad.

Those in the fourth group consist of more men than woman and they are enrolled in a long-term degree or hold a good job. They have a relatively high income and own the property where they live, usually an apartment. They moved to Denmark to study. Most of them miss the Faroe Islands and want to move back home, but some are not sure whether they want to remain in Denmark or return to the Faroes.

They identify themselves more as Faroese than Danish and have a relatively good insight into current affairs on the Faroes. They generally have a positive view of the Faroes and are not critical of Faroese society in the same way as the other three groups. If it were possible, they would have taken their degree on the islands. The DNAG study concludes that mainly group three and four should be seen as the primary target in the attempt to reduce the number of educated Faroese living abroad. The most recent study is the one on Faroese living in Britain mentioned above.

One out of five Faroese living in the United Kingdom frequently think about moving back to the Faroe Islands. Although many anticipate moving back to the Faroes, most have no concrete plans for doing so.

When asked about the prospect of moving back to the Faroes, the respondents emphasized that the Faroes are children and family friendly. The greatest disadvantage is the lack of professional challenges; other difficulties include inadequate housing and the difficulty and cost of travelling to and from the Faroes.

Most of the respondents have close social ties to the Faroes and most are frequent users of one or several Faroese media. Faroese living in Britain have approximately

equally as many social relations with other Faroese in Britain as with British people or foreigners living in Britain.

The respondents seem to have a layered identity. While the national Faroese identity remains strong, the respondents have also developed a stronger Nordic identity while in Britain, and as the years pass they increasingly identify with Britain. However, the Faroese identity remains the strongest, although this does not necessarily translate into a desire to or plan for returning to the Faroes (Absalonsen 2009).

6.8 A bid for the future

As has been stated earlier, the Faeroe Islands are losing out in the global competition (especially with Denmark), as a majority of educated Faroese chose to reside abroad (mainly in Denmark, but the number of Faroese students elsewhere, especially in Britain, has increased within the past years and is expected to increase further in coming years).

The Faroese NGS 2007, the DNAG study and the study among Faroese living in Britain have demonstrated that one critical factor in whether Faroese return to the islands is the number of years they live abroad.

Danish and other foreign partners, children, and diminishing ties with the Faeroe Islands are significant factors in whether Faroese want to move home or actually return home. The limited scope of degrees offered on the Faroes thus plays an important role in this context, since, as things stand, many Faroese need to live abroad for a significant number of years. An alternative could be that those currently in political power continue to prioritise fields of study that are most significant for the islands in their education policy, but also seek to limit the number of years Faroese need to study abroad in order to gain the degree they desire. If possible, it would be beneficial if students maintained their ties to the Faroes while studying abroad. These ties could be to the Faroese labour market or to a greater scope of degrees offered on the Faroes, whether offered on campus or virtually via the Internet, in cooperation with foreign educational institutions.

Both social and political values ought to be considered, as a relatively large proportion of Faroese residing abroad consider the Faroese society/political system to be conservative (understood negatively). The studies have shown that issues such as child care, social and economic supports systems, housing policy, values[50] and professional fori are all significant factors in whether Faroese educated abroad wish to return home or remain abroad after completing their studies.

50 For example, 75 per cent of Faroese living in Denmark are positively inclined towards registered partnerships amongst homosexuals on the Faroe Islands, in contrast to about half of the elected politicians in the Faroese parliament (DNAG).

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7 DENMARK: DANISH DEGREE STUDENTS ABROAD: WHAT CAN REGISTER DATA TELL US?

By Anette Bjørsted
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A study carried out by the Danish Educational Support Agency investigated the question of how many of the Danish mobile degree students stay abroad after graduation. The study shows that 46 per cent still lived abroad two years after completion of a foreign degree. Furthermore, the study investigated the extent to which returning students found employment and participated in the labour force in Denmark. Moreover, the frequency with which mobile degree students discontinued study programmes was investigated. Mobile degree students at the bachelor's level (about 70% of all mobile degree students receiving support) discontinued their studies to a lesser extent than their non-mobile counterparts.

7.1 History

It has always been possible for young Danes to become exchange students. In 1998, Danish exchange students were given the opportunity to apply for grant support through the EU programme, Erasmus. Later, the Nordic programme NORDPLUS was established.

In order to promote opportunities for students to study abroad, an internationalisation taximeter was introduced at the end of the 1990s. Danish educational institutions get reimbursed for exchange students sent abroad for a study period of at least three months as well as for each foreign student hosted by Danish institutions for a period of at least three months. Since the beginning of the 1990s, it has been possible for Danish mobile degree students in the Nordic countries to receive Danish Education Support (SU – also known as the State Education Grant and Loan Scheme) on the same conditions as Danish non-mobile students.

In 1994, it became generally possible for Danish mobile degree students to receive Danish Education Support. This arose out of a desire for increased internationalisation and liberalisation with respect to choice of study programme. Before 1996, mobile degree students could obtain Danish Education Support for a period of up to three years for study programmes in countries outside the Nordic countries. In 1996, the maximum period of support in countries outside the Nordic countries was extended to four years.

In 2002, a requirement was introduced that a student must have lived in Denmark for a period of two years within the last ten years in order to be eligible for Danish Education Support. The requirement was introduced to ensure that students who were awarded this educational support had a connection to Denmark.

In autumn 2008, the Danish Overseas Scholarship was introduced. Under the scheme, Danish students, under certain conditions, are eligible for grant support to pay tuition fees if they are enrolled at a foreign university or another educational institution. Danish institutions get reimbursed in relation to the number of students at the institution. The student can get up to the minimum of the tuition fee and the reimbursement ordinarily given to the Danish institution (the Danish institution will be left without this reimbursement). The grants are given both to mobile degree students at a master's level and to exchange students. The grant covers a period of up to two years. The Danish Overseas Scholarship was given to almost 500 students beginning their education or a study visit in 2008.

7.2 Study of mobile degree students receiving Danish Education Support

In 2007, the Danish Educational Support Agency carried out a register-based study of Danish mobile degree students[51]. The study describes the mobile degree students, their programmes of study and the period after completion of their programme. In this respect, the study examines the extent to which mobile degree students returned to Denmark and whether they found employment. The main findings of the study are presented below.

7.3 Defining the study population

The primary purpose of the study was to characterize Danish degree students abroad. The main population of the study comprised students from Denmark who had received Danish Education Support in connection with being enrolled in a full higher education programme abroad[52]. These students are called (Danish) mobile degree students.

Danish Education Support is also given to exchange students. This type of support recipient is not the subject of this study. The Danish Educational Support Agency does not receive information about the support recipient's period of study outside Denmark in connection with being enrolled in a study programme at a Danish educational institution. Exchange students from Denmark are dealt with in Chapter 8. Non-mobile students and exchange students are grouped together in this chapter when mobile degree students are compared to students who begin a study programme in Denmark. The numbers for non-mobile students only include higher education and, thus, do not include youth education (upper secondary education and vocationally-oriented education programmes).

51 Statens uddannelsesstøtte 2008.

52 Higher education programmes constitute the educational continuation of preparatory youth education programmes (upper secondary education, typically 2–3 years in duration) and provide students with final vocational qualifications.

For mobile degree students, as well as for non-mobile students and exchange students, only those who received Danish Education Support at a given time are included in this chapter. Mobile degree students without financial support from Danish Education Support are, thus, not included in the study.

7.4 Data sources

The study is based on four data sources. The information about the period of study and end of the programme (discontinuation or completion) stems from the agency's educational support system. The information about study programmes stems from the agency's system for approving foreign-based study programmes. The information about the support recipient's place of residence has been obtained from the Central Office of Civil Registration (CPR-Office). The employment-related information stems from the Register-based Labour Force Statistics (RAS), which are compiled by Statistics Denmark. A detailed description of the registers used in the study can be found in Statens uddannelsesstøtte (2008).

7.5 How many Danish mobile degree students are there?

Table 7.1 shows the number of support recipients in higher education, divided into mobile degree students and others (non-mobile students and exchange students).

Table 7.1. *Support recipients 1996–2006 in higher education, divided into mobile degree students and non-mobile students (incl. exchange students).*

	Support recipients in higher education			Percentage of mobile degree students
	Non-mobile students (incl. exchange students)	Mobile degree students	Total	
	N			%
1996	144,067	3,401	147,468	2.3
1998	159,473	4,266	163,739	2.6
2000	172,586	4,301	176,887	2.4
2002	178,388	4,285	182,673	2.3
2004	177,910	3,920	181,830	2.2
2006	180,892	3,240	184,132	1.8

Remark: Mobile degree students who also received educational support for higher education in Denmark in a particular support year are included under mobile degree students.
Source: Danish Educational Support Agency registers.

Between 1996 and 1998 the number of mobile degree students grew from about 3400 to 4300. The growth in the number of mobile degree students happened after a lengthening in 1996 of the support period for mobile degree students from three to four years. Between 1998 and 2002 the number of mobile degree students was about 4300. Since 2002, the number of mobile degree students has fallen, and in 2006 the number of mobile degree students was at its lowest level since 1996. In 2006, a total of 184,132 students received Danish Education Support in connection with being enrolled in a higher education programme. Of this group, 3240 were mobile degree students, which corresponded to 1.8 per cent of all support recipients engaged in higher education. In relation to the total number of support recipients in higher education, the number of mobile degree students was thus relatively small.

7.6 What do mobile degree students study and where do they study?

Table 7.2 presents information about mobile degree students according to academic level and type of study programme. Of the mobile degree students in 2006, 70 per cent were enrolled in bachelor's degree programmes, while 25 per cent were enrolled in master's degree programmes.

Table 7.2. *Academic level and type of study programme for Danish mobile degree students in 2006.*

	Mobile degree students	Percentage
Type and level of study programme	**N**	**%**
Bachelor, total	**2,262**	**70**
Administrative	1,020	
Humanities	871	
Science	140	
Vocational[a]	94	
Other	137	
Master's	**824**	**25**
Administrative	371	
Humanities	272	
Science	67	
Vocational[a]	53	
Other master's	61	
Other	**154**	**5**
Mobile degree students, total	**3,240**	**100**

[a] Remark: In this table and later tables, vocational educational and training (VET) programmes encompass engineering and veterinary programmes as well as programmes dealing with agriculture, forestry, fisheries and ecology.
Source: Danish Educational Support Agency registers.

With around 1000 mobile degree students taking administrative bachelor's degrees, and around 400 mobile degree students taking administrative master's degrees in 2006, administrative programmes was the most popular area of study at the bachelor's and master's degree level. Administrative programmes comprise, among other things, programmes within the field of economics. The second most popular area of study was the humanities programmes, with a total of around 1100 mobile degree students at the bachelor's and master's degree level. Humanities programmes include, among other things, degrees within art and craft.

In Table 7.3, the mobile degree students in 2006 are divided according to language area. More than 50 per cent of the mobile degree students in 2006 were enrolled in programmes in English-speaking countries. The UK was the country with the most Danish mobile degree students, with 42 per cent of mobile degree students. A total of 20 per cent of the mobile degree students were enrolled in a study programme in one of the Nordic countries. In Table 7.4, the mobile degree students are divided according to the duration of their study programme.

Table 7.3. *Mobile degree students in 2006 – divided according to language area.*

	2006	
	N	%
English-speaking countries	1,819	56
of which in the UK	1,369	42
Nordic countries	664	20
Other countries	757	23
Total	3,240	100

Source: Danish Educational Support Agency registers.

Table 7.4. *Mobile degree students in 2006 – divided according to the duration of their programme and the most frequent academic levels.*

	Mobile degree students	Programme duration								
		Max. 11 mnths	12 mnths	13–23 mnths	24 mnths	25–35 mnths	36 mnths	37–47 mnths	48 mnths	Min. 49 mnths
	N	%								
Bachelor's level	2,262	--	2	0	4	0	57	1	31	3
Master's level	824	--	33	7	32	0	3	--	8	17
Other programmes	154	1	21	11	48	1	17	--	2	--
Mobile degree students, total	3,240	0	11	3	13	0	41	1	24	6

Source: Danish Educational Support Agency registers.

Over 50 per cent of the mobile degree students enrolled in bachelor's degree programmes lasting three years. Around one in three enrolled in a study programme whose prescribed length was four years. The master's degree programmes were generally shorter. One-third of the mobile degree students were enrolled in master's degree programmes lasting one year, while one-third were enrolled in a programme that lasted two years.

7.7 How many complete the programme abroad and how many discontinue it?

Table 7.5 presents the number of support recipients who embarked upon a higher education programme in Denmark or abroad in 2004. The table also includes information about how many of the recipients discontinued their programmes.

For non-mobile students (incl. exchange students) in higher education programmes, the proportion of recipients who discontinued their studies was higher overall than for mobile degree students. Of the support recipients who began their studies in 2004, 25 per cent of non-mobile students (incl. exchange students) had discontinued their studies by the middle of 2007, while the figure was 20 per cent for mobile degree students.

Table 7.5. *Number of support recipients who embarked upon a higher education programme in Denmark and abroad in 2004 and the proportion of recipients who discontinued their programme – divided into mobile degree students and others (non-mobile students incl. exchange students) and according to programme type.*

	Number of recipients who began their programme in 2004	Proportion of recipients who discontinued their studies
	N	%
Higher education programmes, total	59,087	25
Non-mobile students (incl. exchange students)	57,752	25
Bachelor's level, medium-cycle programmes	19,302	28
Bachelor's level, first part of long-cycle programmes	18,086	28
Master's level, long-cycle programmes	11,847	13
Mobile degree students	1,335	20
Bachelor's level	897	22
Master's level	363	13

Remark: Discontinued by mid-2007.
Source: Danish Educational Support Agency registers.

Regarding non-mobile students (incl. exchange students) enrolled in long-cycle higher education programmes (master's degree level), 13 per cent had discontinued their studies by mid-2007, which corresponded to the discontinuation rate of mobile degree students enrolled in a master's degree programme abroad. According to the table, 28 per cent of non-mobile students (including exchange students) who began their studies in 2004 in bachelor's degree programmes (medium-cycle programmes and as a part of long-cycle programmes) had discontinued their studies by mid-2007, whereas the discontinuation rate was 22 per cent for mobile degree students enrolled in a bachelor's programme. Mobile degree students thus discontinued bachelor's degree programmes less frequently than non-mobile students (incl. exchange students).

7.8 How many mobile degree students remain abroad and how many return to Denmark?

Table 7.6 presents information regarding how large a proportion of the mobile degree students who completed[53] or discontinued programmes in 2003 lived abroad the two subsequent years.

A little less than half of the mobile degree students completing their programme in 2003 resided abroad at the end of 2004 and 2005. Of the mobile degree students who had discontinued their programme in 2003, less than four out of ten resided abroad. Thus, the proportion of mobile degree students living abroad was less in relation to recipients who had discontinued their studies in 2003 than in relation to those who had completed their studies.

For both groups (those who had completed and those who had discontinued programmes), the proportion of mobile degree students living abroad fell gradually with time. This was due, among other things, to the fact that some mobile degree students returned to Denmark in order to embark upon a new study programme.

Table 7.6. *Proportion living abroad in 2004 and 2005 among mobile degree students who completed or discontinued their higher education programme in 2003.*

		Proportion living abroad at the end of the year, %	
	N	2004	2005
Completed programme	1,334	48	46
Discontinued programme	216	39	35

Source: Danish Educational Support Agency registers and the CPR-Office.

53 Information about the failure to complete the programme may not necessarily be registered in the Danish Education Support (SU) system due to the fact that some recipients' eligibility for support has been exhausted. Therefore, information about the failure to complete the programme must be viewed with caution.

In the following Table 7.7, the mobile degree students who completed a higher education programme abroad in 2003 are divided in terms of whether they have subsequently been awarded Danish Education Support in connection with a new study programme. The mobile degree students who have not subsequently been awarded educational support in connection with a new study programme are divided in the following way:

– resided in Denmark throughout 2005
– resided abroad at the end of 2005
– paid tax, but did not reside in Denmark.

Table 7.7. *Proportion of mobile degree students completing a higher education programme in 2003 (who did not subsequently embark upon a new programme) who resided in Denmark throughout the 2nd calendar year after completing their programme.*

	Completed programme 2003	Of whom continued[a]	Have not subsequently been awarded educational support				
			N	Resided in DK throughout 2005	Resided abroad at the end of 2005[b]	Paid tax, but did not reside in DK	Other[c]
	N			%			
Support recipients	**1,334**	475	**859**	38	53	5	4

[a] A mobile degree student who, for example, completes a bachelor's degree programme abroad and is subsequently awarded educational support in connection with enrolling in a master's degree programme at the same educational institution is included among those who embark upon a new study programme.
[b] The proportion abroad does not include persons who are, according to the last recorded data in the CPR-Office, not living in Denmark/Greenland, but to a certain degree pay tax in Denmark.
[c] Comprises, among others, persons who moved to Denmark during 2005, etc.
Source: Danish Educational Support Agency registers and the CPR-Office.

Of the mobile degree students who completed a higher education programme in 2003, one in three had received educational support later in connection with enrolling in a new programme.

Of the mobile degree students who did not subsequently receive educational support in connection with enrolling in a new programme, around half (53%) resided abroad at the end of 2005, while 38 per cent resided in Denmark throughout 2005. Approximately 5 per cent were not registered as living in Denmark at the end of 2005 but paid tax in Denmark.

According to Table 7.6, 46 per cent of the mobile degree students who had completed a programme in 2003 were registered as living abroad at the end of 2005. According to Table 7.7, 53 per cent of those who did not subsequently receive educational support in connection with enrolling in a new programme were registered as living abroad

at the end of 2005. Thus, the proportion abroad is highest for the mobile degree students who directly entered the labour market after completing a programme of higher education abroad.

7.9 To what extent do mobile degree students find employment if they return to Denmark?

In the figures for labour force attachment and the employment of mobile degree students who return to Denmark, the group is confined to those who:

1. have completed a higher education programme abroad
2. did not subsequently embark upon a new programme
3. resided in Denmark throughout the year during which the employment figures were recorded.

The study was conducted by means of pooling information from the Agency registers and the data extracts from the CPR-Office registers as well as RAS.

Table 7.8 presents information about employment and labour force attachment for mobile degree students who completed a higher education programme abroad and who were also registered as living in Denmark throughout 2005.

Table 7.8. *Employment figures for 2005 for mobile degree students who completed a higher education programme abroad in 2003.*

	2003	
	N	**%**
Mobile degree students who completed a higher education programme abroad	**1,334**	
Embarked upon a new programme	475	
Did not embark upon a new programme	**859**	**100**
Of whom resided in DK throughout 2005[a]	323	38
In the labour force	**252**	**29**
Employed	226	26
Unemployed	26	3
Outside the labour force (job training, social security, etc.)	14	2
Outside the labour force, unknown	57	7

[a] The number in Denmark for the entire year excludes persons who, according to the CPR-Office, were not registered as living in Denmark/Greenland but who, to a certain degree, paid tax in Denmark.
Source: Danish Educational Support Agency registers, CPR-Office and RAS.

Of the mobile degree students who completed a higher education programme in 2003 and who did not later embark upon a new study programme, 29 per cent were in the Danish labour force throughout 2005; those who were employed in Denmark constituted 26 per cent.

Of the 323 persons who were registered as living in Denmark throughout the second year, according to the CPR register, 71 were outside the labour force. This group can be divided into two parts:

- 14 persons received job training, social security, sickness benefits, maternity/paternity benefits, etc;
- 57 persons did not receive public benefits and did not have a source of income in Denmark at the time of reference at the end of November 2005. Some of the persons within this group, however, may have had certain benefits or an income in Denmark during 2005.

Of the 252 persons in the labour force, 26 were unemployed (i.e. the proportion of unemployed was 10%) the second year after completing the programme from among the group of mobile degree students who did not continue on to a subsequent study programme and who resided in Denmark throughout 2005.

7.10 Summary

In comparison with several other Nordic countries, only a few of the Danish students choose to become mobile degree students (1.8% of support recipients in higher education in 2006 were mobile degree students). A significant number of the mobile degree students remain abroad after completing their programme (e.g. 46% of the mobile degree students who completed their higher education programme abroad in 2003 were registered as living abroad at the end of 2005). With an unemployment rate of 10 per cent the second year after the programme's completion, the study indicates that some of the mobile degree students have difficulties entering the labour market after completing a programme of higher education abroad.

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8 DENMARK: DANISH EXCHANGE STUDENTS – WHO, WHY AND WHY NOT?[54]

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This chapter presents the key outcomes of two Danish surveys on the benefits of Danish students' exchange studies abroad. The surveys differ from the Nordic graduate survey in that they focus exclusively on exchange students and consist of both a student survey and an employer study. After a brief introduction and explanation of the framework of the surveys, the main findings from the student survey are presented. Subsequently, the main conclusions of the employer study are presented, followed by some concluding remarks which pinpoint some of the central challenges for future efforts to increase the number of students going abroad.

8.1 Introduction

For more than two decades, Danish university students have had the possibility to receive financial support for study exchanges. The possibilities have increased since the late 1980s when the Erasmus-programme, funded by the European Union, began offering the best opportunities for financing study exchanges.

In spite of these possibilities to become an exchange student, the number of Danish exchange students has not increased between 2002 and 2006. Statistics show that in 2002 the number of incoming exchange students for the first time exceeded the number of outgoing exchange students. Since then, the number of incoming exchange students has increased by approximately 500 each year, except for one year. (CIRIUS 2007, 2008 and 2009.)

In 2006, the Danish government launched a national 'strategy for Denmark in the global economy', in which education is one of several means to strengthen the position of Denmark in the world. One specific objective mentioned in the strategy is the wish to increase the number of Danish exchange students, as this will provide the students with international competences as well as a good understanding of other cultures.

In order to achieve the objective mentioned above, knowledge about the existing student population in higher education is needed: Why do students choose to travel abroad for a study period? What are the benefits – both personally and academically? And why do other students choose not to go on an exchange?[55] Are there any differences between students who go abroad and those who stay at home? Hence, the

54 This chapter is based on two reports: one report based on a quantitative data and one report based on an interview data, which also included open-text answers from the questionnaire. The reports are available at: http://www.iu.dk.

55 By 'an exchange' we mean an exchange period abroad, which is part of a university degree in Denmark. An exchange can be a study period or an internship/placement abroad. The expression is used in the rest of the chapter.

Danish studies regarding the outcome of student exchanges have been motivated by the search for answers to these questions.

8.2 About the Danish studies of student exchanges

In order to obtain the best possible knowledge about the outcome of student exchanges in relation to further studies and job-opportunities, it was decided to carry out two studies focusing on university students:[56] a survey amongst students and an interview study amongst employers and employees.

8.2.1 'Exchanges of Danish University students'[57]

This is a survey based on a questionnaire sent to all university students enrolled in their last year of the Danish two-year master's degree. The questionnaire consisted of approximately 50 questions, of which some were dedicated to students who have been on an exchange,[58] while others were aimed at students who did not participate in an exchange.[59]

In order to reach the target group of exchange students, cooperation with the eight Danish universities was established. Accordingly, the universities provided the e-mail addresses of all their students with Danish citizenship who in the autumn of 2008 lacked less than 60 ECTS towards completing their studies and who had passed an exam within the last four years. These criteria were based on an assumption that the majority of the students at this stage of their studies had either been on an exchange or had chosen not to go on an exchange. Their answers would reflect choices which could not be changed in the final part of their studies. Only Danish citizens were included in the survey in order to avoid sending out questionnaires to international students. The e-mail addresses were drawn from the registration system of the universities, and only 36 of the given e-mail addresses were not valid.

The questionnaire was sent out online to a total of 18,218 university students in the end of September 2008. Two reminders were sent out and, by the 27th of October 2008, the survey was closed. A total of 4830 students replied, which gives a return rate of 27 per cent. Forty one per cent of these students had been (or were at the time the questionnaire was sent out) on an exchange and 59 per cent had not been on an exchange. The relation between former exchange students and non-mobile students

56 Another set of surveys focusing on students from other higher education institutions was carried out after finishing the first surveys. These surveys have been published in December 2009 and are available at www.iu.dk

57 Based on a report Danske universitetsstuderendes udlandsophold 2009.

58 An exchange is defined here as a study period or an internship abroad with a minimum duration of one month, or as a summer university course.

59 This survey only focuses at exchange students, thus none of the conclusions relates to full degree students abroad.

who answered the questionnaire indicates that there is an over-representation of former exchange students. This was, however, expected because it is easier to attract former exchange students than non-mobile students to participate in a survey about internationalisation.

In addition to the questionnaire, four group interviews with 19 of the respondents were carried out. Two of the groups consisted of former exchange students, whereas in the other two groups non-mobile students participated.

The result of the survey, 'Exchanges of Danish University students,' is thus two reports: one report based on quantitative data and one report based on interview data, which also included open-text answers from the questionnaire.

8.2.2 'The value of student exchanges – from a labour market perspective'

This interview study is based on interviews with employers and employees and concerns the importance of international experience from study periods abroad in relation to recruiting and the working situation.

Fifteen enterprises/institutions participated in the study representing the public and the private sector as well as different fields of interest. Furthermore, both large and small enterprises participated, but they all had some or several international tasks in their field of work.

Thirty three people were interviewed: 13 of these were from human resource departments, 8 were managers with direct responsibilities for university educated employees, and 12 were employees who had finished their master's degrees within the last two years and who had undertaken an exchange period abroad during their studies.

The interviews were semi-structured and based on an interview guide. All the employers and human resources staff were furthermore asked to respond to two quantitative questions about recruiting criteria and the value of international competences.[60]

8.3 Results from the student survey

8.3.1 Motivation for exchanges

The Danish students who during their studies had been on an exchange were presented with 10 different statements about their motivation for going abroad, and they were asked to indicate which of them had influenced their choice. They could choose as many statements as they wanted. Curiosity is a big motivator for the majority of the

60 The results from all the interviews are presented in the report, 'Betydningen af udlandsophold i udlandet,' available on www.iu.dk.

students, as 90 per cent of the respondents said that they had wished to live in another culture, or that they found it interesting to study or work abroad. Seventy five per cent of the students also indicated that they were motivated by the prospect of better career possibilities, which they expected an exchange period would make possible. Only 36 per cent of the students answered that they went abroad to attain academic competences not offered at their home university. See Table 8.1.

Table 8.1. *Reasons for going on an exchange period abroad.*

Reasons	% positive answers
Interesting to study or work in a foreign environment	95
It would be interesting to live in another culture	89
A need for variety in the studies	77
Better career opportunities in Denmark	75
Better language competences	74
Better career opportunities abroad	60
Specific academic competences unavailable at home university	36
Recommendations from friends and family	34
Recommendations from teachers	29
Better quality of education	18
Family or relations abroad	7

8.3.2 Outcome of exchanges

The outcome of student exchanges was a central theme in several questions in the questionnaire. Students were asked to prioritise three out of 10 statements about the general outcome of their exchanges. The result is reflected in the answers to the questions regarding motivation. Thus, the two principal outcomes are work or study experience from a foreign environment and intercultural experience, while the third is language competences. See Table 8.2.

However, students who went on an exchange during their two year master's degree valued the outcome defined as 'a larger academic network' much more than those who went abroad during their bachelor studies.

Specific questions concerning the academic outcome for students and how they experienced the academic level abroad compared to their home universities give the impression that students were in general quite satisfied with the academic outcome. Thirty eight per cent replied that their own *academic outcome* from the exchange period was greater than what they could have expected at their home university, 34

per cent replied that it was the same and 28 per cent that it was less than they could have expected in Denmark. Only 24 per cent of the students perceive the general *academic level* abroad to be higher than the level at Danish universities. This indicates that students can estimate the general academic level at the receiving university lower than at their home university and yet still feel that their own academic outcome of the exchange is very high.

When it comes to the personal outcomes of exchanges, the students seem to have the same opinions. Ninety one per cent of the students responded that the exchange period abroad has made them more independent and that it has increased their intercultural competences. For 88 per cent of the students, the exchange has improved their communication skills in another language, and for 77 per cent of students the exchange has given them new social networks.

Table 8.2. *Most important outcomes of exchanges.*

Outcomes	% positive answers
Study or work experience from a foreign environment	51
Intercultural competences	44
Better language competences	42
Confidence in managing life independently	36
Travel experiences	30
Practical knowledge within my field of study	24
Good friends	20
Theoretical knowledge within my field of study	18
Larger academic network	17
A new view on my own studies	14

8.3.3 Usage of experiences from exchanges

An important theme in the questionnaire was how academic competences and practical experiences acquired during the exchanges were used by the students during their further studies at home universities. Based on an assumption that non-mobile students would consider being more mobile if experiences from the exchanges could more obviously be used in students' continuing studies, some specific questions about the usage of experiences from the exchange were included in the questionnaire.

Sixteen per cent of the exchange students have given a speech to fellow students and teachers about the academic outcome of the exchange, while 20 per cent claim that their teachers were interested in the academic outcome. Compared to the fact that

72 per cent of the students feel that their own academic level has been strengthened during the exchange, it indicates that the academic knowledge and experiences from exchange students could be better used in the home universities.

When it comes to the use of practical experiences, such as for example information about accommodation, travel arrangements, student unions, 50 per cent of the former exchange students have passed on their experiences to potential new exchange students, in more or less organised manners. This issue was discussed during the interviews and all the students agreed that the communication of practical knowledge should be prioritised more and it should be done in a more systematic way. With the combination of former exchange students who are eager to share their experiences and the fact that students value receiving guidance about exchanges from other students more than they do value guidance from university staff, the potential for improving the use of students' experiences is obvious.

Disregarding these somewhat negative indicators, 84 per cent of the students have replied that they are overall satisfied with the way their experiences have been used in their continued studies. A part of the explanation is that the methodological and academic knowledge gained during an exchange period is often used for the writing of papers or master's theses. This is what many of the respondents explained in the text supplementary to the questions.

8.3.4 Non-mobile students – why do they stay at home?

The non-mobile students received specific questions about their reasons for not choosing an exchange period abroad. Not surprisingly, the main reasons for staying in Denmark were family, friends and other personal relations. See Table 8.3 for more information.

The non-mobile students were all asked if they, at some point during their studies, had started planning an exchange that was never realised. Fifteen per cent of the respondents fell into this category. Asked about the reasons for not carrying out the exchange, 62 per cent of the students replied that it was too difficult to organise, while 42 per cent indicated family, friends and other personal relations as reasons. The rest of the answers are comparable to the ones given by the remaining non-mobile students.

Based upon the questionnaire, the supplementary written responses, and the opinions expressed in the group interviews with students, it is clear that non-mobile students should be targeted differently in order to motivate them to go abroad.

The students who planned to study abroad but for some reason never realised it ought to be the easiest group to target because they are already motivated to take part in an exchange. More information and guidance and help in organising the exchange would most probably cause some of the students in this group go abroad.

Table 8.3. *Non-mobile students' reasons for not doing an exchange period abroad. (Each student could choose several answers.)*

Reasons:	% of non mobile students
Family, friends and other personal relations	74
Lack of financial resources	44
Lack of information or guidance from home university	29
Would not miss the studies at the home university	28
Had a relevant student job, and would not leave it	25
Did not feel like living in another country for a longer period	23
Could not make an exchange fit into the curricula and have it fully recognized	21
Could not find a relevant course/work placement	10
Language competences not sufficient to study/work abroad	9
Would not risk a lower grade than expected at the home university	6
Heard negative stories about exchanges from other students	5
Teachers/counsellors advised not to go on exchange	1

Another group of non-mobile students are less positive about exchanges and they doubt that the academic outcome abroad would be comparable to the outcome from their Danish education. Some of these students have the impression that exchanges are merely holidays or excuses to party for a full term.

This group of students would also need more information in order for them to consider going on an exchange. However, it would need to be a different type of information, as they would need to see the possible academic outcome of exchanges. Also, they would need to hear from their fellow students that an exchange is of high academic value.

8.3.5 Differences between exchange students and non-mobile students

Are there any particular characteristics regarding exchange students versus non-mobile students? The students were all asked a number of questions concerning their former education, parents' education, language competences, age, gender, etc. Only a few differences were found in the results.

Thirty nine per cent of the exchange students have at least one parent with a university education, while this is only true for 29 per cent of the non-mobile students.[61] On the other hand, there is no difference in the number of exchange students versus non-

61 This only refers to university education. When comparing other types of higher education among the parents, there is no significant difference.

mobile students who have lived abroad with their parents during their childhood. The students were asked to estimate their own academic level in relation to their fellow students, and 60 per cent of the exchange students versus 51 per cent of the non-mobile students consider themselves to be at an above average academic level. Whether this in reality says more about the actual academic level or about the students' self confidence is, however, an open question.

The most interesting comparison between exchange students and non-mobile students is related to each group's impression of the 'other' group (for exchange students the 'other' is the non-mobile students, and vice versa).

The students were all asked to assess their own study outcomes and possibilities according to the 'other' group, for example regarding their self-assessed job-opportunities. Fifty per cent of the exchange students are certain that they themselves have the best future job opportunities, while this only goes for 5 per cent of the non-mobile students. Even though many students answered 'I don't know' to these questions, the results still indicate that non-mobile students also believe that there are academic benefits related to an exchange.

This is further confirmed by the answers to the question concerning whether the students had regretted their choice about choosing either an exchange or choosing to stay home. The answers show that 44 per cent of the non-mobile students have regretted their choice, while only three per cent of the exchange students regretted their choice.

8.4 Results from the employer study

The interview study 'The value of student exchanges – from a labour market perspective'[62] focused on recruiting criteria and the employers' view on exchanges and internationalisation. Furthermore, the use of international competences by employers was a topic. The interviewed employees had all been on exchanges when they were still students; hence, the interviews focused on the outcome of their exchange in relation to their current job situation.

8.4.1 On recruiting and 'international competences'

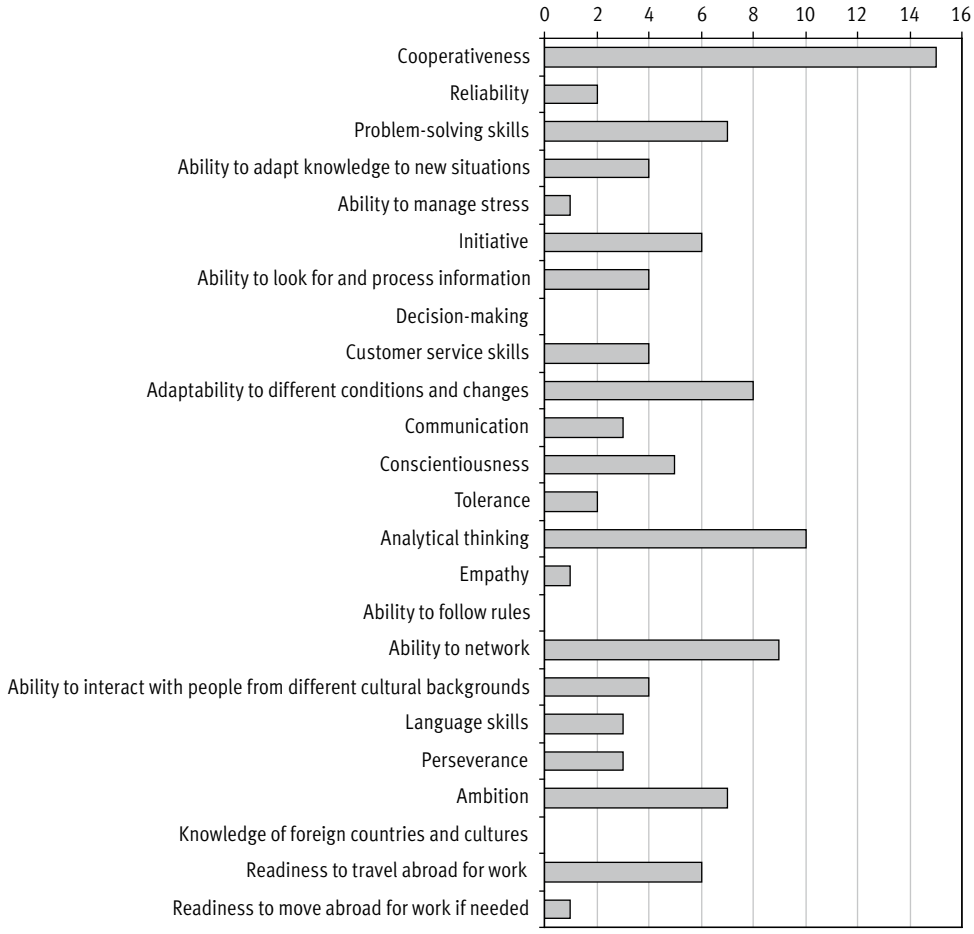
The employer interviews highlighted the general recruitment criteria of the enterprises, and the employers were asked to prioritise 5–6 out of 24 competences deemed important when recruiting new graduates.[63] See Figure 8.1.

62 Danish title is 'Betydningen af uddannelsesophold I udlandet.' Available at www.iu.dk.

63 The categories in this and in the other quantitative question are copied from a similar study made by CIMO in 2005 (Garam 2005).

The interviews also concerned what employers view as the most important outcome of student exchanges. It is remarkable that three of the four competences that were prioritised as the most important by the majority of the employers are competences that the employers also pointed out as competences a student obtained from an exchange. These competences include an ability to cooperate, being good at networking and demonstrating an 'adaptability to different conditions and changes' (see Figure 8.1). However, the direct link between the outcome of exchanges and the most required competences was not expressed directly by the majority of the employers. Even so, most of the employers recognised that an exchange does have a positive influence when it comes to recruiting recently graduated candidates. For some employers, experience from an exchange period abroad was considered to be almost vital when choosing candidates for the first interviews. These employers seemed to believe that a much higher number of students than the numbers in reality show go abroad on exchanges during their studies.

Figure 8.1. *Importance of generic skills in jobs new graduates are recruited for.*



8.4.2 The employers' view on exchanges

When asked directly about the outcomes of student exchanges, most employers mentioned personal and intercultural competences as central. Also, increased language competences were an important outcome seen from the employers' point of view.

The academic and professional outcome of exchanges is not considered to be the most important by most of the interviewed employers. This is partly because the academic outcome of specific courses in many university subjects is rarely a matter of focus when recruiting labour as long as the candidate holds a full degree. However, another reason is that it is difficult for employers to interpret the learning outcome of courses taught at foreign universities. For most employers, this issue was not considered to be a problem. But for employers who attach importance to top qualifications when employing newly qualified personnel, the exchanges only counted positively if they had taken place in a well-known university with a good reputation.

The outcomes of study exchanges as well as internships abroad were also discussed and a tendency for employers to prefer candidates with internships over candidates with exchanges was seen. An argument was that it is easier for an employer to relate to the experiences from an internship than from a study exchange and to see the learning outcome in relation to a work position. However, one employer also pointed out that it cannot be determined from a CV whether an intern has merely been making coffee or if the person has had independent and substantial tasks. In contrast, the exams passed by an exchange student are at least a guarantee that the student has acquired a certain academic level.

An ongoing discussion in Denmark concerns the length of the total period of study for obtaining a university degree and whether it is disqualifying for students to prolong their studies, either with activities related to the studies such as relevant student jobs, exchanges, and taking a longer time in writing papers/theses, or if students simply need a break from their studies to do something else. The employers were thus asked whether it is important that an exchange is an integrated part of the studies and has given the student full credit at her/his own university – but most of them did not find this issue very important. In fact, the employers seemed to prefer candidates who had more experiences than the studies alone, and considered it to be a benefit if a student had an internship abroad or did a study exchange on top of their education.

Whether an exchange period abroad is an integrated part of the studies or not, the employers all pointed to the fact that students must be able to translate their different experiences into competences that are valuable for an employer. In order for an exchange to be valued positively in a recruiting situation, the candidate must demonstrate that he or she has reflected upon the experiences earned during the exchange and the personal learning outcome.

8.4.3 Internationalisation

Almost all employers agreed that the future will see an increasing need for employees with international competences. Internationalisation – here understood as the increased cooperation between people and businesses from different countries – creates this need. In recruiting situations, candidates are required to possess abilities to adapt to new environments and situations, as well as innovative skills in order for various enterprises to face international challenges. For private businesses, the international challenges are primarily connected to the global market and product development, while the international challenges for public enterprises mostly concern issues such as international legislation, in particular the increasing set of rules and laws from the EU. Thus, all kinds of candidates with international experience and competences will be needed in the future.

Several of the larger private companies interviewed for the study do not find that they have access to a sufficient number of Danish candidates with the necessary international competences and qualifications. Thus, they currently have to recruit qualified staff from other countries to fulfil the need.

8.4.4 The use of international experiences

Another theme in the interviews with the employers was the use of the employees' international experiences; this was also a subject during the interviews with the employees.

Both employers and employees had difficulties highlighting how and when international experiences and competences are used. While international experience is valued when recruiting, the use of it in the everyday working situation is not systematically organised. Except for language competences, the international competences are merely seen as a guarantee that the employees can act in an international setting. In addition, they are entrusted with international contacts and given responsibility for international meetings. Some of the employees find that their international competences could be used more often or in better ways; for example, when it comes to specific knowledge about certain countries or working procedures in particular countries. Other employees have difficulties in mentioning exactly which competences should be used differently, but argue that their international experiences have given them abilities to react better, faster and more appropriately within the international environment.

8.5 Concluding remarks

The overall conclusion from the two studies is that exchanges are very valuable. They are valuable for the students personally, academically and professionally, as well as in the labour market after completing their studies. This is true no matter where the

exchanges have taken place and regardless of whether the students did internships or study exchanges. Different employers have different preferences and students should always consider their future career plans when deciding where to go for an exchange period abroad. The most important message to students from the employers is, however, that own reflections upon the learning outcomes are essential for the exchange to be seen as an added value to a degree when applying for a first job. This is also important because the employers are not always very conscious about the fact that many of the preferred qualifications when recruiting new graduates are qualifications that students often gain during an exchange.

This conclusion corresponds with the conclusion from the student survey, in which the responses regarding the use of international experiences and the transfer of international competences to other students illustrated the fact that many students are not asked to actively talk about their international academic experiences when returning to their home universities. Thus, many students are neither urged to reflect upon their experiences and the learning outcome nor to actively use them.

One objective of the two studies was to identify the reasons why some students choose not to go on an exchange during their studies and to find ways in which to encourage more students to go abroad. One conclusion is that the different groups of non-mobile students must be targeted differently according to their various reasons for staying home. Improving the possibilities for exchanges and better organisational structures may motivate some of the current non-mobile students to go abroad. Other non-mobile students need to learn that the academic and professional outcome of exchanges is comparable to the expected outcome in the Danish education institution, and they need to see that the knowledge and experience gained from exchanges can be used in their continuing education.

However, the overall challenge in the further attempt to increase the number of Danish exchange students is to make students aware of the obvious benefits related to an exchange period abroad. Businesses as well as universities and government bodies must spread the word about the conclusions of these studies and bring forward success stories in order to motivate more students to go abroad.

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9 CLOSING DISCUSSION

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Globalization and internationalisation are central characteristics in the current development of society and international student mobility is an important part of these processes. A core political rationale for promoting student mobility rests on the assumption that international learning and the skills a student acquires correspond to the needs of modern labour market; that is, the knowledge-based economy needs international competences that foreign studies can provide. However, very little research has been undertaken on labour market outcomes for students studying abroad, and there is even less comparative research on labour market returns for mobile and non-mobile students. This is particularly true regarding students who undertake a full academic degree abroad. Hence, there is a need for more empirical knowledge in this field.

This report has addressed outgoing student mobility from the Nordic countries, with an emphasis on the professional value of studying abroad. The focus is on degree mobility, evaluating the early labour market outcomes between graduates educated abroad and in the home country. For several reasons, Nordic countries are an interesting case for studying student mobility. The number of mobile students differs between the Nordic countries, but all countries have a higher proportion of students abroad than the EU-average. The Nordic countries have long traditions of sending large proportions of their students abroad, potentially implying that the national labour market is accustomed to receiving graduates educated from abroad. In addition, the public student support systems make the Nordic region special. Ensuring access to higher education independent of a student's financial situation or socio-economic background has been a central aim of Nordic educational policy. The aim of state financial support is that access to higher education should not be restricted by economic resources. The general principle in the Nordic public student financial support schemes is that studies abroad are equal to studies in the home country. Some of the Nordic countries provide extra grants and loans to cover tuition fees and other expenses; hence, the economic barriers for studying abroad may be relatively low or even non-existent.

In the following sections, we will conclude by summing up some of the most interesting results from the preceding chapters and discuss them in relation to the five main questions raised in Chapter 1, as well as some of the theoretical and contextual issues raised in the same chapter. The emphasis is on the comparative perspective – similarities and dissimilarities between the Nordic countries, – but we also discuss some topics raised in the chapters on specific countries. We will look at students' backgrounds and aspects of their labour market outcomes and discuss issues like brain drain and the role of the national financial support system.

9.1 Who are the Nordic mobile students?

The most popular host countries for mobile degree students diverge somewhat between the countries participating in this study. The United Kingdom is the most popular country among the Finns and Norwegians, whereas most of the Icelandic and the Faroese mobile students go to other Nordic countries to study. Females are over-represented among mobile students in Finland and the Faroe Islands.

The Nordic countries have student support systems which aim at ensuring equal access to higher education. However, our results indicate that mobile students are more likely to have more highly educated parents compared to non-mobile students. This pattern applies to all countries included in this study (including the Danish exchange students), but the relative difference between mobile and non-mobile students is highest among Finnish and Faroese students. However, as a whole, the parents' educational backgrounds seem to have less influence on students' enrolment in higher education in Finland than in other Nordic countries. Regarding Finland, the difference between the parents' levels of education between mobile and non-mobile students may be partly related to the support scheme for mobile students and to the financial insecurities it gives rise to, since there is no extra support, for example, for tuition fees or travelling costs. For the Faroe Islands, on the other hand, part of the explanation may be related to the level of education and type of study programme undertaken abroad versus domestically. The few study programmes provided domestically are at the level of a bachelor's degree, and in fields that traditionally recruit a substantial proportion of students from a lower social origin in the Faroe Islands as well as in other countries. Only a few study programmes are provided domestically at the level of a master's degree, such as history, Faroese language, politics, geography, biology and information technology (University of the Faroe Islands 2009).

Furthermore, the NGS 2007 results show that mobile students often have parents who have lived abroad or/and have previous experience with living abroad themselves. This is in line with previous research (Murphy-Lejeune 2002, Wiers-Jenssen 2005) and confirms that the concept *mobility capital* is an important factor in choosing to study abroad. Prior exposure to international experiences lowers the threshold for undertaking higher education abroad. Prior experience with living abroad also adds to the accumulated country-specific or transnational capital.

Public support is the most important source for financing studies abroad in all the countries examined. Despite the state-sponsored financial incentives for all students to study abroad, we find that mobile students constitute a more select group than domestic students in higher education regarding family background. This indicates that barriers to international mobility are not only to be found in the economic capital, but also in the cultural capital of families. Students with parents who possess more educational capital are more inclined to invest in educational institutions abroad. Studying abroad is closely related to family traditions and international orientation and exposure, and it may be argued that this is beyond the scope of public policy to

change. It can also be argued that the public economic support for mobile students is insufficient to attract groups with low mobility capital and from a non-academic background. For example, universities in countries like the UK and the US charge high tuition fees, often exceeding the rates of the Nordic student support funds. Hence, the barriers for choosing such host countries may be too high for some students.

The Danish study, based on register data, showed that mobile students are less likely to drop out of higher education compared to non-mobile students. The higher completion rates represent an interesting finding, indicating that mobile students may constitute a select group regarding, for example, motivation.

The cultural and economic prerequisites for studying abroad are not evenly distributed. If equal access to education abroad is an aim, strategies for recruiting underrepresented groups need to be developed. Though a *formal* equality is present, the results from this report show that there is a ways to go regarding equality in accomplishments.

9.2 Entering and coping with the labour market

What happens to mobile students after graduation has been a central topic in this report. For potential future students, it is definitely interesting to know whether the transition from higher education to the labour market is more or less difficult for those who have undertaken education from abroad than for domestic students. We find indications that mobile students have more difficulties entering the labour market than non-mobile students. The time span between graduation and the first job is slightly longer for mobile students than for non-mobile students. Furthermore, the Finns have the longest time span between graduation and first job as a whole compared to the other countries.

The results indicate that it is somewhat more difficult to get access to the labour market with a foreign diploma, which is in accordance with the expectations expressed in Chapter 1. However, the differences are small and education from abroad is generally not a serious drawback when entering the labour market. Neither does it seem to be an advantage, with the possible exception of exchange students. In Chapter 4, we learned that Norwegian exchange students have a smoother transition from higher education to work than mobile degree students as well as non-mobile students. But the latter is not necessarily caused by the sojourn abroad; it may also be due to the fact that the exchange students constitute a select group regarding performance and other features.

The data from Norway show that mobile students working in Norway have on average higher wages than non-mobile students at the time of the survey. This pattern also persists when we control for performance and other relevant variables. The result is particularly interesting when considering that mobile degree students seemed to struggle somewhat when trying to get access to the labour market, and that over-education is prevalent among this group. This positive result indicates that mobile students

possess a greater share of particular skills and features which employers appreciate, even though it may be more difficult to get hired in the first place. In Finland, there were no large differences between the wages of mobile and non-mobile graduates (Saarikallio et al. 2008, 84–85).

In Finland and Norway, mobile degree students more often hold jobs that require a lower level of education than non-mobile graduates; hence, over-education is more common among mobile students. Over-education could be related to the relative abundance of highly skilled candidates and to the relative scarcity of available positions. If labour markets are educationally specific and segmented, the fast expansion of higher education could provoke a declining return for education. (Cf. Chauvel 2002 and Opheim 2008, 55.)

A permanent job contract is usually considered to be an indication of the quality of employment. However, temporary contracts can be common during the first few years after graduation and they are not always a sign of precarious career development. Temporary work contracts are a rather common phenomenon in Finland in general and, according also to the NGS 2007 results, temporary employment seems to be rather common, especially for those mobile degree students who were working in their home country.

The Danish employer study showed that an ability to cooperate, possessing good networking skills and demonstrating 'adaptability to different conditions and changes' are some of the most important general recruitment criteria – and that the employers believe that mobile students in general score high in these criteria. More studies on employers' opinions and experiences are needed to find out whether this is a general trend. In light of what we have discussed regarding selectivity, it does not seem unlikely that employers who have experience with hiring mobile students show less risk-aversive behaviour towards this group.

In general, the broad picture for mobile degree students is positive regarding experiences with domestic employers. The Icelandic graduates in particular seem to have more positive than negative experiences with employers, whereas the Finns have experienced more prejudice. Finnish mobile students more often perceive that employers in their home country look askance at education from abroad. Scepticism towards education from abroad has also been observed in a former study among Finnish employers (Garam 2005, 51). Furthermore, the Finns and the Norwegians more often report that domestic employers do not know the foreign education all that well. These features may indicate some barriers to the portability of human capital and to the demands of country-specific human capital.

From the Finnish chapter, we have learned that the transition from education to working life is somewhat more time consuming and more of an effort for mobile degree students than for those who have studied in the home country. In addition, unemployment is more common for mobile students than for non-mobile Finnish

students. However, the results indicate that mobile students catch up to their non-mobile counterparts rather quickly during their early career. Therefore, it cannot be said for certain if the somewhat problematic labour market entry has any far-reaching effects on mobile students' careers.

9.3 Internationalisation and brain drain

According to the NGS 2007 results, improving the prospects for an international career is an important reason for studying abroad. There are at least two ways of doing this: working abroad and getting an international job in the home country. Mobile students are more likely to do both compared to non-mobile students. The fact that education from abroad increases the likelihood of holding an international job in the home country can hardly be seen as anything but positive. Small countries on the periphery of Europe definitely need a labour force with international skills. In an increasingly global economy, educational credentials acquired abroad become more important because of stronger competition in the labour market, and many employers are demanding workers with new skills and specialized education (Munk 2009). Though mobile students more often than other students have jobs which include international work tasks, and many are satisfied with the possibility to use international skills in their current job, the results also show that some graduates apply linguistic and cultural skills to a lesser degree than expected. It could be that these graduates had unrealistic expectations, but the extent to which employers might make better use of the added value of student mobility can also be questioned. However, the graduates are still at an early stage in their careers and they may find jobs that match their competencies better at a later stage. Former analyses from Norway show that the likelihood of having an international job increases over time (Wiers-Jenssen 2008).

A large proportion of mobile students choosing to work abroad after graduation can represent more of a worry for the sending country. The Faroe Islands definitely have a challenge regarding brain drain. This may not be surprising, since the islands have a small population and a limited range of employment to offer, and the cultural and linguistic barriers related to remaining on the Danish mainland (where most of the Faroese go to study) are low. However, documenting the extent of the problem may be a trigger for changing the situation. When six out of ten students go abroad and less than half of them return alternative strategies for recruiting academic labour have to be considered. In Chapter 6, some strategies for limiting the brain drain were discussed, such as offering a wider scope of education on the Faroe Islands, strengthening the cooperation with educational institutions abroad and focusing on distance education.

Substantial proportions of the Danish and Finnish degree students choose to stay abroad after graduation as well[64]. Due to the relatively low number of mobile students

64 However, one must bear in mind that the results from the Finnish and Danish studies are not completely comparable because of the different types of data sets.

from these countries, it may not be a great problem. Nevertheless, this migration represents a loss of talent and of international skills. General economic conditions as well as the labour market structure can also have an effect when Finnish and Danish mobile students are deciding whether or not to return to the home country. Traditions for studying abroad may also have an impact. In countries with long traditions of and a high prevalence of student mobility employers have more experience with applicants with a non-traditional background. Hence, job opportunities may be better. The data on the graduates' perceptions of employers' attitudes indicate that Finnish employers prefer to recruit graduates who have undertaken their studies in Finland.

Another possible explanation is related to the support schemes for mobile students. Finnish and Danish students are eligible to support for covering living expenses, but support for tuition fees is less accessible. In Finland, tuition fees must be obtained from private sources: private banks, family or the student's own savings. In Denmark, support for covering tuition fees was introduced only quite recently (2008) and the funds cover about 70 per cent of the tuition fees. Before 2008, no tuition support was given, and the groups investigated in this report were students under the 'old regime'. Those who go abroad, despite limited economic support, are liable to constitute a select group in relation to motivation and personal characteristics or regarding social networks, like family or a partner abroad. People with a particular interest in a certain country, who have family/personal ties abroad or who possess a substantial amount of mobility capital (see Chapter 2) are probably more prone to settle abroad. The educational credentials acquired abroad can be crucial in the international labour market because employers recognize them and reward them. Successful graduates are also likely to have good job opportunities abroad. Support for the latter is found in a previous Norwegian study showing that good academic performance increases the likelihood of working abroad; this is also true when a number of background variables are controlled for (Wiers-Jenssen 2008). Based on the argument above, we could form the hypothesis that countries that send low proportion of their student body abroad are less likely to experience that mobile students come back due to aspects of selectivity. This hypothesis would be interesting to test in a study involving a wider range of countries.

Norway and Iceland have traditionally had high proportions of their student bodies abroad, but the results from the NGS 2007 show that a vast majority has returned to their respective countries within few years after graduation. Regarding Norway, a return rate of approximately 80 per cent has also been shown in previous studies (Stortingsmelding nr 19 1996–1997; Wiers-Jenssen 2005,) and the proportion of students staying abroad seems to be quite stable. Regarding Iceland, we have no historical data. Furthermore, one can also assume that the return rates have dropped during the last couple of years as a consequence of the recent financial crisis in Iceland. The question remains: are the Icelanders leaving the country in search of work, and does it seem likely that those who are already abroad will also remain there?

We have measured the proportions of students working abroad a few years after graduation (1–5 years). Some of those working abroad may return to their home country at

a later stage. But the majority have no immediate plans for returning. If a high rate of graduates remaining abroad is perceived as a problem, the means for reducing the risk of brain drain need to be considered.

9.4 The role of public student support

We have seen that students cover the main part of their expenses through the public support system, though the proportions of the costs covered varies between countries. The Finns cover a smaller part of their expenses through public loans and grants than the Norwegians, Icelanders and Faroese.

Good possibilities for financing the studies played an important part in the students' decision to study abroad in the first place. The Norwegians and the Faroese put more emphasis on this than the Finns and the Icelanders, which again may be interpreted as a reflection of the generosity of the public support systems. Knowing that the option of studying abroad is not necessarily a more expensive one than studying in the home country lowers the threshold for studying abroad.

A generous support scheme contributes to making studying abroad attractive and accessible, but as discussed earlier, it makes it more attractive and accessible to some social groups than to others. But can the support system in any way be used for increasing return rates? Stuðulsstovnurin, in the Faroe Islands, sees travel grants (for visiting the home country) as a strategy for encouraging students to visit the home country every now and then. They believe that if students keep in touch with their family and friends, they are less likely to settle abroad. We have seen that many Faroese settle abroad anyway, but we do not know if the proportion would have been even higher without the travel grants. The Norwegian support scheme also provides travel grants, though paying for visits home is not explicitly mentioned as a means of avoiding brain drain.

The student support system may also be used for influencing where the students go and what they study. The Norwegian support system used to include some aspects of this logic. Formerly, support was granted only for education that was in high demand in Norway, but this policy has now been abandoned. Extra grants are still provided for certain study programmes at prestigious higher education institutions abroad. Students are also eligible for support for an 'adjustment semester' if they want to study outside Scandinavian or English speaking countries. The intention of this support is to encourage students to go to countries with a higher language barrier. The Faroe Islands also provides quite generous support for the few students who choose to go to places other than Denmark. This means that some incentives for directing the student flows are present in some of the Nordic countries. Further incentives could be considered if the structure of the current student flows, or the return rates, are considered to be suboptimal.

9.5 Exchange students

Regarding exchange students, we only have information about this group from two countries: Norway (NGS study) and Denmark (the CIRIUS survey). Though these surveys are not directly comparable, we notice that both studies find that exchange students seem to constitute a select group regarding social origin and academic performance. Regarding labour market outcomes, the Norwegian data documents that exchange students face few difficulties in the transition from higher education to work. This may be related to higher performance and other forms of selectivity and not necessarily the exchange sojourn itself. The Danish data shows positive outcomes from exchange sojourns and underscores that the outcomes are personal as well as academic and beneficial for career opportunities.

As suggested in Chapter 2, exchange students may to employers represent a combination of appreciated features: a diploma which is easy to evaluate *and* international experience. The Norwegian data set documents that many exchange students have previous experiences with living abroad, which suggests that the accumulated effect of sojourns abroad constitutes an important reason for why they obtain international jobs. It seems quite obvious that the duration of sojourns abroad is important for the acquisition of linguistic and cultural as well as academic skills. Hence, seen from the point of view of students as well as of society, longer sojourns may be more beneficial. Student mobility from the Nordic countries is increasingly taking place within the frameworks of exchange programmes, often of a shorter duration (3–6 months). There are few incentives for higher education institutions to facilitate longer sojourns. Introducing such incentives may be considered in order to increase the academic and non-academic outcomes of studying abroad.

9.6 Concluding remarks

This report has presented new information about mobile students from the Nordic countries. Mobile degree students are a group of students generally receiving less scientific and political attention than exchange students; hence, the results of this report have definitely increased the level of knowledge in a field in which previous research has been meagre.

The study has documented that the mobile students constitute a select group in several ways. It has also shown that public student support plays an important role in financing studies. The results from the Finnish country report (Saarikallio et al. 2008) show that many of the Finnish mobile students greatly appreciate the student support system. Although the financial support was considered rather modest, especially in the countries where living costs are high, respondents were happy that they had received student support in the first place. The regular allowance/income provided economic security and its meaning was particularly important for students from families with lower social (educational) status.

The majority of mobile students are satisfied with the outcomes of studying abroad and the sojourn abroad has exceeded their expectations in many ways. The pattern is similar in all the countries investigated and it is worth noticing that students' overall assessments of studying abroad are very positive. Nevertheless, some students have experienced that the transition from higher education to work implies certain challenges. Unemployment and over-education are among these challenges. The lack of professional networks and other contacts with the home country during their studies abroad may be one reason for difficulties experienced. Explanations may, however, be related to employer attitudes as well. Studying abroad is a good investment from a personal standpoint. Whether it is a good *economic* investment for the individual cannot be answered with our data, as the research period covers only respondents' early career years.

As mentioned in the introduction, an increased interest in degree mobility is seen in relation to the Bologna process. Increasing the number of mobile degree students is expressed as a political aim in many countries. A harmonized degree structure may help to facilitate mobility, but it may not be sufficient. Students in countries without public support systems are in general more dependent upon their parents' preferences and economic status, which is likely to limit their freedom of choice.

Some countries are somewhat reluctant to promote student mobility due to a fear of brain drain. This report has shown that brain drain is not necessarily a problem for all the Nordic countries. Regarding the return rates of mobile students, we found that they vary substantially by home country. In fact, this seems to be the area where Nordic graduates diverge from each other the most. While Iceland and Norway have had high return rates over the years, Finland, the Faroe Islands and Denmark have had low return rates. It would be interesting to see research from other countries investigating to what extent student mobility is a temporal or permanent form of migration, and also to find out what factors influence the decision to return or not to return to the home country. Whether student mobility is a good investment, when seen from the perspective of the governments of the sending countries, is definitely dependent upon the return rates.

As mentioned in the first chapter, a number of factors influence the labour market outcomes of education from abroad. These are related to the supply side (the number and characteristics of the graduates) as well as the demand side (the employers and the domestic and international labour markets). Different contexts, including different student support systems, make it difficult to tell whether the patterns found in the Nordic countries can be found elsewhere. However, the results from this study may be used as a point of departure for studies in other countries.

It is important to note that there are some limitations regarding the data sets used in the study. The sampling procedures differ somewhat between the countries which one must bear in mind when looking at the results. The response rates vary between the countries and non-response analyses have not been conducted. Given that the NGS

2007 do not include Denmark and Sweden, we miss out on comparable information about these countries, which means that we do not cover the whole Nordic region.

However, despite of the limitations described above, the report gives new and valuable information about a group of Nordic students that has not been studied in a great extent and from comparative perspective before. Hopefully, this report will encourage further comparative studies in this field.

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